Ontario. Royal Commission on Book Publishing.
Briefs. 1971

ONTARIO

ROYAL COMMISSION ON BOOK PUBLISHING

BRIEFS

to the

ROYAL COMMISSION ON BOOK PUBLISHING

APRIL 13, 1971

Mr. Richard Rohmer, Q.C.,	Chairman.
Mr. Dalton Camp,	Commissioner
Dr. Marsh Jeanneret,	Commissioner

Mr. Robert Fleming	Executive Secretary

Hearing held at 252 Bloor Street W.,
Toronto, Ontario.

Tuesday, April 13, 1971

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BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

MR. JOHN FISHER

APRIL 13, 1971

BRIEF FROM JOHN FISHER....FREE-LANCE WRITER & BROADCASTER.

Any Royal Commission appointed to study the book publishing industry will almost certainly be deluged with the economics or the business.....the housekeeping details if you will. While the mechanics of book publishing and distribution must be a major feature of any such investigation, it must not be forgotten that writers are the reason the book publishing industry exists in the first place. Without competent, creative Canadian writers, publishers would have nothing to publish and readers nothing to read. (Unless we abandon the whole mess to the Americans)

You can computerize, centralize, merge, streamline, mass produce, market-test, and pre-package the book publishing industry, but it all begins with some lonely soul seated at a typewriter somewhere, hopefully creating readable material to amuse, entertain, inform, educate, thrill, or relax potential readers.

In the thousands of words of testimony you will receive on the state of the Canadian book publishing industry, I urge you to keep in mind that lonely soul at the typewriter. Whatever recommendations and conclusions result from your deliberations, I urge you to struture them to give maximum incentive to the Canadian writer as well as the Canadian publisher.

The book publishing industry is a business first and foremost, with its own trade associations, inter-industry meetings, common production and distribution problems, and very often, highly visible public personalities who personify that industry. Writing is

seldom considered as an industry, in fact it is seldom thought of as a business; writers are just not organized in the sense that the book publishing industry is organized. Writers in fact, are notoriously un-organized because of the very nature of their craft. It's true there is a small sub-culture existing in some writing circles of a specialized type, where small groups of participants frequent certain bars in Toronto, exchange gossip and leads on who is doing what to whom, how often, why, and to what end, but apart from serving as an inefficient kind of employment service, such gatherings are a poor substitute for the type of industry organization currently underway in the book publishing business.

Writers tend to make bad material for potential organizers. They're an individualistic bunch - they have to be or they wouldn't be writers. They're loners, and often poorly motivated by commonly accepted and conventional business standards. They are almost certainly an unknown, seldom heard from, and ineffective body as a group. Every writer speaks only for himself, knowing little of other writer's problems because they seldom meet. His desire and opportunity to speak out on the state of his industry is limited by circumstance and perhaps the desire not to bite the rapidly disappearing hand that feeds him.

I present this brief to you as an ex-marketing man turned full-time free-lance writer, and from my joint experience in both the business and creative worlds.....I address myself to the three main terms of reference:

a) "....the publishing industry in Ontario and throughout Canada with respect to its position within the business community."

Book publishing often appears to be the most inefficient production system within the Canadian business community. From the distribution point of view, the book publishing industry is a marketing man's nightmare.....in fact, one of the problems associated with book publishing in Canada is that the whole concept of marketing is an alien one, fit only for the manufacture and distribution of such vulgar consumer items as toothpaste, mouthwash, and deodorants. From an ex-marketing man-turned-writer's point of view, the handling of a manuscript from the time of acceptance to the time of appearance on book-store shelves is an exercise in exquisite frustration.....which is perhaps why so many writers end up alcoholics.

In no other business, save that of pure art, is the production of its products left to the purest chance and personal whim. In no other business endeavour are products dumped into the market-place with such miniscule advertising and promotional budgets. Unlike the marketing of consumer products whose profitability depends on repeat purchases, the purchase of a book is a one-shot sale. One buys a book, reads it, and comsigns it to a shelf somewhere....you do not go back and repeat the purchase. If you happen to like that particular author, and the publisher is

enlightened enough to tell you about his next book, you may decide to purchase a copy.....if you can find it in what passes for the modern book store, and if the book-store clerks (who are hired exclusively for their talents as non-readers) can locate it.

With sales and profits entirely dependent on one-time purchases, the book-publishing industry's approach to advertising and promotion is about as exciting and stimulating as two tickets to a village quilting bee. By refusing to invest money in the only asset they have, writers, the industry can develop a self-fulfilling philosophy of gloom. On the grounds that most books by Canadians won't sell anyway, the only promotional efforts expended often comsist of a Gestetner press release, free copies for long-suffering book reviewers, an occasional and desultory cocktail reception for the professional cocktail reception crowd, and a small, uncreative poster or two, which remains unopened in the mailing tube.

In the majority of cases, Canadian writers are simply dumped into the hopper on a kind of unofficial Canadian-content ruling, in the faint hope that another Pierre Berton or Farley Mowat can be winkled out, preferably at no risk to the publisher.

Lest this sound like sour grapes, let me hasten to add that, from the book-publisher's point of view, this short-run attitude makes considerable sense. He is in an unenviable position in a society devoted to the growth and economic expansion ethic, which demands more of everything each year in order to keep his values up

and his profits steady. In relation to the rest of the Canadian business community, the one-shot purchase and virtual indestructibility of books makes the continuing expansion of supply an almost insolvable problem. In our consumer society we exist on a system of waste and artificial obsolescence.....we tend to wear things out, discard them, and buy newer models. In the book-publishing industry we not only produce semi-indestructible products, we consign large numbers of them to public libraries where they are borrowed free of charge, after first being protected by plastic covers to ensure their further indestructibility. There is no system by which the publisher, or the writer, gain any further financial benefit from such an arrangement.

An exaggerated comparison would be an automobile library, where a driver would be able to borrow a car of his choice for two weeks at no cost, changing to another model or re-newing whatever he was driving at the time. While the leasing of consumer goods has developed into a major service industry, the basic profitability to the producers remains reasonably constant.

Perhaps Alvin Toffler sums up this dilemma best in his book "Future Shock"* In discussing the section "A Blizzard of Best Sellers", he says: ".....the incredible expansion of knowledge implies that each book (alas, this one included) contains a progressively smaller fraction of all that is known. And the paper-revolution, by making inexpensive editions available everywhere,

* "Future Shock" by Alvin Toffler, p.144. Random House, 1969.

lessens the scarcity value of the book at precisely the very moment that the increasingly rapid obsolescence of knowledge lessens its long-term infomrational value. Thus, in the United States a paper-back appears simultaneoulsy on more than 100,000 newsstands, only to be swept away by another another tidal wave of publications delivered a more thirty days later.

"The book thus approaches the transience of the monthly magazine. Indeed, many books are no more than "one-shot" magazines. At the same time, the public's span of interest in a book - even a very popular book - is shrinking. Thus, for example, the life span of best sellers on The New York Times list is rapidly declining. There are marked irregularities from year to year, and some books manage to buck the tide. Nevertheless, if we examine the first four years for which full data on the subject is available, 1953 - 1956, and compare this with a similar period one decade later, 1963 - 1966, we find that the average best seller in the earlier period remained on the list a full 18.8 weeks. A decade later this had shrunk to 15.7 weeks. Within a ten year period, the life expectancy of the average best seller had shrunk by nearly one-sixth.....we are creating and using up ideas and images at a faster and faster pace. Knowledge, like people, places, things and organizational forms, is becoming disposable."

By producing bigger and bigger publishing lists each season in order to maintain volume and profits, the book-publishing industry is deluging the book stores of Canada with its products.

At first glance the modern self-service book store resembles an explosion in a shingle factory, and not a book supermarket, which is what its owners fondly believe it to be. The profusion of products on sale in food supermarkets have brand identity created by massive advertising budgets generated from repeat purchases on high mark-up items. The package, name, and brand identity is easily recognizable to the potential consumer.....the average book buyer often does not know the correct title nor the author of the book he vaguely feels he ought to buy because everyone is talking about it.

Any information he may have about the book of his choice is often the result of an accidental exposure to the author on some television or radio programme, where, if the author is reasonably articulate and versed in the arts of mentioning his book every twenty seconds, the consumer might be prompted to spend $8 for the hard cover edition. More often than not, he decides to wait for the cheaper paper-back edition, which in the case of most Canadian authors is a faint hope indeed.

In point of fact it often takes a determined book buyer to track down, and purchase, a copy of something he really wants. If he wants to buy a Canadian book by a brand new unknown writer, his task is sometimes made almost impossible by a perverse desire on the part of the book-store owners to be constantly out of stock. Like the book publishers, they seem to lack faith in the possibility

of Canadian books selling in any quantity, so a minimum inventory is purchased. Lacking any kind of promotional programme most of these books fail to sell in any quantity and the philosophy becomes self-fulfilling.

This may be largely a matter of book distribution and not book publishing, but the malaise which affects both sides of the industry is often cause and effect. In no other consumer oriented industry does the launching of a new product allow out-of-stock situations to arise.....not without the sudden termination of employment among those responsible.

In conducting the business aspects of encouraging and developing Canadian writers, publishers are often casual to the point of rank unprofessionalism. From the outsider's point of view they appear grossly under-staffed, with a few talented people carrying a disproportionate burden of work for ridiculously low salaries. With a few notable exceptions, the Canadian publishing tends to be old-fashioned, conservative, and sluggish in the performance of its tasks. Motivational research appears unknown, graphic innovation rare, and the marketing of its products frozen in a traditional Spring and Fall deluge which almost guarantees a confused public image, and appears to engender complete defeat in the hearts of many book-store employees.

b) ".....the functions of the publishing industry in terms of its contributions to the cultural life and education of the people of the Province of Ontario and Canada."

The cultural life of any society is a complex combination of many factors, and in a modern technologically developed society such as Canada, those factors are difficult to separate and pinpoint. The main thrust of our society's culture is probably determined by our production and consumption system, heavily influenced by the proximity of the United States whose multi-national corporations control much of our machinery of production. Our communications industry would be another powerful factor, and even though this is largely in the hands of Canadian-owned companies, its prime philosophy tends to support the prevailing economic system.

The ultimate definition of "Canadianism" can only come from the creative community: writers, artists, film producers and directors, magazine and newspaper editors, radio and television producers, actors, designers, architects, and a host of other creative people whose job it is to produce something uniquely Canadian. That definition may be refined, altered, shaped, or adapted, but its main thrust must come from the creative segment of our Canadian society.

One prime contributor of the cultural life of Ontario and Canada is the book-publishing industry, whose writers often hold

up a mirror of their society and ask us to examine the reflection with them. If he is a Canadian, his outlook and philosophy will tend to reflect and re-inforce contemporary Canadian culture. If he is a successful and respected Canadian writer his views will help that Canadianism and build a base from which other, and newer, writers will emerge to assist. The current debate over Canadian nationalism and control of our economy has revealed a strong sentiment towards defining and retaining a uniquely Canadian culture, and a nation's literature goes a long way to filling that need. From school text books to fiction, from political analysis to gardening, from art and do-it-yourself books to romantic love stories - there is a need for Canadian writers to function effectively.

A close look at the average book store in Canada reveals an overwhelming proportion of United States publications. The impulse-oriented paper-back shelves which seem to be taking over our book stores, are largely owned and operated by organizations whose merchandising tactics warrant a Royal Commission all to themselves if only half the stories are true. The sheer physical task of finding a Canadian author among this plethora of material is discouraging, to say the least.

Again, with few notable exceptions, most Canadian publishing houses can afford to handle very few purely "Canadian" books, and if I may be forgiven, perhaps a personal example here will illustrate

the pressures on Canadian writers who wish to exist on something more than minimum income. In the Fall of 1968, Doubleday (Canada) Ltd. accepted a fiction manuscript of mine called "The Crystal Palace". The story involved a group of Canadians who live and work in a huge office building similar to the Toronto-Dominion Tower, and brought out the conflicts inherent in a U.S. takeover of the last family-owned Canadian food corporation.

My publisher invited me to the inevitable lunch, where we discussed the novel in general terms, agreed on certain changes and deletions, and generally sized each other up prior to a new business relationship. Although I was offered a Canadian contract, my publisher indicated strongly that because of the purely Canadian locale of the book, its sales would be non-existent in the U.S. If I would agree to change the locale to "a vague mid-western city" and structure the conflict over an Eastern U.S. takeover of a U.S. family-owned company, the basic story could be retained and a joint Canadian/U.S. contract drawn up.

Although no promises were made, my publisher (who was an American citizen heading the Canadian operation) indicated our chances would be excellent. The changes were duly made and the manuscript went off to New York for approval. For reasons never clearly revealed, New York decided <u>not</u> to publish the novel, which left the Canadian operation in a delicate position.....after having a manuscript turned down by head office, it becomes difficult to

publish a Canadian edition only. The chances of a poor showing would mean bad judgement in the eyes of head office - a perfectly understandable feeling for someone in management whose job is to contribute profit to the company. To my publisher's considerable embarrassment the project stalled right there, and yet the situation is a reality that must be faced. Other publishers indicated an interest in the book but as one of them put it in a personal letter: "....your manuscript has considerable merit, but owing to the state of the Canadian publishing industry at this time, we feel we are unable to make you a firm publishing offer. We suggest you submit this novel to the larger New York publishing companies."

Book publishing is a profit-making industry, it is not a propaganda arm of some vague undefined "Canadianism", but without the opportunity of writing and publishing Canadian material, the professional writer is constantly tempted (even forced) to "North Americanize" his work in order to amortize his costs and maximize his potential profits. I suppose Arthur Hailey is a prime example of a successful and popular writer now writing exclusively for the American market - his last purely Canadian book was "In High Places".

The proximity of the vast American market distorts a writer's outlook almost unknowingly .....it must surely distort a book publisher's outlook more directly, as he relies on American output for much of his profits - unless he is in that minority of purely Canadian publishers.

For the majority of Canadian publishing companies however, a good case can be made that without such American profit-generating bulk, Canadian writers would be featured even less.

In the field of school text-books, my wife, who is a teacher of English as a second language in the Metro Toronto East York school system, finds most of the material available of American origin. Immigrant children learn all about the U.S. Mail, policemen who wear six-peaked caps, the U.S. flag, the White House, the President, Sears-Roebuck, and the Pilgrim Fathers. If they watch the much-vaunted "Sesame Street" they learn to say "Zee" for "Z", but that's another story.

Perhaps the lack of Canadian school text books is the biggest potential tragedy we face in defining our culture. The stories are almost cliches now. Again, the writer and artist contribute to the child's understanding of his culture and heritage through the printed word and picture. Here is a captive market which can be easily manipulated, probably with overwhelming public support.

The dilemma of the Canadian publishing industry is brought home to a Canadian writer in very direct form. My own current publisher is Longmans (Canada) Ltd., who will be bringing out my non-fiction examination of the Canadian environmental pollution problems called "What You Can Do About Pollution Now". Scheduled for publication late in May, the book is one of only six Canadian titles in a Spring catalogue of over 200 - ranging from fiction through politics to hobbies and the arts.

This is not a criticism but a fact of life for a Canadian writer entering the scene for the first time. It's important to realize that for every Pierre Berton or Farley Mowat, there are hundreds of other writers earning a living at their chosen craft which rangesfrom starvation rates to barely adequate. While it is true there is no great compulsion to become a writer, there must be some cultural milieu that fosters the development of Canadian talent and rewards those publishers gallant enough to take the chance of discovering, and developing, new writers.

The market-place is curretnly organized to penalize the development of more Canadian writing talent. It penalizes the book publisher who may fervently wish to add more Canadian content to his lists, and above all, it enacts a heavy penalty against Canadian readers who may wish to define their cultural existence through a series of uniquely Canadian viewpoints.

c) ".....the economic, cultural, social or other consequences for the people of Ontario and of Canada of the substantial ownership or control of publishing firms by foreign or foreign-owned or foreign-controlled corporations by non-Canadians."

I suspect the average reader in Ontario would be unaware of any economic disadvantage accruing from foreign domination of our book-publishing industry. In a free-market economy the choice of reading material is perhaps the ultimate expression of that much-abused term "private enterprise".

As a writer I tend to focus attention on the cultural and social consequences of foreign ownership or domination of our book-publishing industry. I do not see those foreign owners and their managers as some peculiar breed of evil, manipulating hirlings of the CIA, or some branch of American government, nor do I see them as callous adding machines whose only concern is the monthly profit statement. I see them as businessmen operating in an economic climate with inner dynamics and terms of reference whose main thrust is fulfilling the need for the printed word, at a profit. The terms of reference under which they operate happen to favour U.S.-oriented material, and the way to alter that situation isn't to villify the publishers, but to change their ground rules.

I frankly doubt there is much support for any programme aimed at increasing the Canadian content of our bookstores at this moment in time, although this attitude may change through the deliberations of commissions such as this. I have the feeling that the public would equate such activity with the CRTC and its Canadian-content rulings, the fear of cultural Commissars dictating what we shall, or shall not, read. They might also fear the vague feeling that the only other Canadian-oriented body we control, the CBC, is run by "arty" people whose horizons end at the borders of Don Mills, Ontario. Any attempt at instituting a Canadian Book Development Corporation would, as Jack McClelland succinctly put it recently, result in people judging manuscripts who would

not normally be considered fit to be hired for such a task in private industry. There are few Canadian writers I suspect, who would wish to consider the ideological aspects of creating manuscripts for some government selection board, no matter how impartial or brilliantly staffed.

And yet.....if the problem is brought into clearer focus by this Commission's deliberations, perhaps public support can be gained for the realization that a nation with no cultural heritage of its own, is a non-nation. If the majority of Canadians wish to be an economic and cultural satellite of the United States then so be it - but it must not happen by default.....it must not happen accidentally because our cultural social ideology is wedded to some outmoded notion that we can never interfere with the workings of a free market economy.

If a significant proportion of our book publishing industry continues to fall under foreign domination and we fail to change the ground rules, our ability to define that elusive thing we call "Canadianism" will fail. Make no mistake about it, the thrust of the industry and its writers will be to "Americanize" its products.

Controversial Canadians who may wish to publish contributions that help define our cultural and economic future may find a subtle form of self-censorship in a publishing industry controlled by non-Canadians - all the more tragic because it will be administered

by Canadian management people. If continentalism is the conventional economic wisdom, the likelihood of Mel Watkins getting into print is probably lessened. If the United States gets itself involved in Indo-China type wars in other places, it may become difficult to justify the costs of producing a Canadian critique of such actions.

Life-style, language, politics, economics.....the whole cultural milieu and Gestalt of a society is reflected and constantly defined in its literature - even that to which we assign the somewhat derogatory term "popular" writing. Our close proximity to the United States leaves us in great danger of depriving our children of their cultural heritage, and bold, imaginative actions are needed quickly.

Some recommendations:

- Canadian book stores be required to stock a quota of Canadian-written and published titles. The proportion of fiction to non-fiction to be investigated and researched. A similar system is now working for the recording industry through the CRTC's ruling, in spite of the protestations that "it couldn't be done". To those who say such legislation will result in a plethora of mediochre Canadian material, I would suggest it might be better to read Canadian mediocrity rather than American mediocrity....but the permise is false to begin with.

- The book-publishing industry be required to retain Canadian editorial departments, staffed by Canadians, to fulfill this quota. All material to be originated in Canada and printed in Canada.

- Legislation to ensure no further foreign domination of the Canadian book-publishing industry, and legislation to compel the sale of a proportion of the company to Canadian investors.

- Long-term low-interest, or interest-free, loans to assist such legislation. (If we can make forgivable loans to multi-national corporations we can surely do no less than assist our book-publishing industry.)

- A subsidized book review magazine written by Canadians and available either free of charge, or at a nominal charge. Such a publication to on display at all book stores, or on a subscription basis. As well as reviews of Canadian books and writers, the review could inform readers about the publishing world in general. Such a magazine could be financed by the industry, or could be a crown corporation.....it must be created in such a way as to prevent pressure to publish favourable reviews as a PR trick.

- A clearly defined Canadian section to every book store, and, in keeping with the legislation to ensure Canadian content, a pro-rated display system.

- A discriminatory tax structure to enable Canadian books to compete in the early stages of any such programme. A tax incentive programme to encourage Canadian and foreign-owned publishing companies to produce more Canadian material.

- A system of public library royalty payments to the publisher and the author of Canadian books for a period of two years from date of publication, then allow the title to be public domain. After a trial period this system to be put into effect on all publications and the cost to be borne from the public treasury by suitably constructed administrative procedures. (By allowing publisher and author to obtain revenue from actual public use, funds can be generated for the development of more Canadian material.

- The gradual breakdown of copyright protection by the machine copying of publications should be controlled by allotting part of the copying fee to the publisher and author of any title being copied. By centralizing and computerizing all book titles, such adminsitrative accounting is not beyond our grasp. (See airline reservations and credit control in any major corporation)

- A separate Royal Commission into the "rack-jobber" distribution techniques of the paper-back industry in order to investigate undue influence on the display of U.S. oriented material. To investigate if such tactics are converting the public to paper-backs and thus shut out the short-run Canadian-only publication.

- Legislation to compel Ontario school boards to buy Canadian-only text books wherever practical, written by Canadians and published in Canada. Exemptions to this rule could be researched and approved by an independent board of educational experts.

- A government campaign along the lines of "Ontario - is there any place you'd rather be?" to bring about a greater awareness of the cultural advantages of a Canadian-controlled book-publishing industry. Such a campaign to be created by a recognized advertising agency whose terms of reference could be set by this Commission.

- Permanent formation of this Royal Commission to ensure compliance to the spirit and the letter of whatever recommendations may emerge. A "court of appeal" with the power to comment on, and recommend changes, on a long-term basis.

Recognizing these recommendations are made without deep research facilities and in something of a vacuum, I end my brief by urging you to give voice to the growing concern over the domination of our cultural and social life by the United States. I urge you not to shrink from actions which may be construed as arbitrary.....we cannot legislate people's minds, but we can hopefully tilt the balance more in our favour by enlightened actions. The rewards of such actions are intangible in many ways, and of secondary interest to the majority engaged in the daily struggle to make their living, but part of that reward may well be the

preservation of something uniquely Canadian.....a sense of pride in self - a sense of security in knowing one's origins, capabilities, and potential future.

If my brief contributes to your sum total of opinion and knowledge my job is complete, save that of offering to appear before you in person at your discretion to answer questions, elaborate on my suggestions, and to generally assist you in any way I can.

Thank you for your attention,

John Fisher, 1971.

(A brief biography is attached for your interest.)

BIOGRAPHY OF JOHN FISHER.....1971

John Fisher was born in Great Britain in 1926. He was educated in a variety of schools, graduating from the Luton School of Arts after a four year course in commercial art, in 1946. Fisher has worked most of his life in the graphic arts/advertising/marketing industries, and emigrated to Canada in 1952, where he lived in Calgary for eleven years. After forming his own commercial art/advertising service which ran for five years, Fisher joined an advertising agency as art director, later promoted to Alberta Manager when the company merged with one of Canada's top agencies.

Moving East in 1963, Fisher was Advertising & Sales Promotion Manager for Ronson Products of Canada Ltd., then Marketing Manager for New Product Development at Salada Foods Ltd. Fisher left the business world in 1967 on acceptance of his first non-fiction book "The Plot To Make You Buy", McGraw-Hill, 1968.

Now a full-time writer, Fisher lives with his wife and children in Willowdale, a suburb of Metro Toronto. His latest book "WHat You Can Do About Pollution Now", Longmans(Canada)Ltd. is due to be published on May 28, 1971. Fisher has contributed many articles to Canadian magazines, written drama scripts for the CBC, written and appeared in television and radio documentaries, and was co-host/writer/researcher during the 1969-71 twice-weekly network radio programme "Consumers Council".

Fisher is a member of the national board of directors of the Consumers Association of Canada, and is a frequent speaker before High Schools, Community Colleges and public groups.

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BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

TORONTO GRAPHIC ARTS LABOUR COUNCIL

APRIL 13, 1971

A BRIEF SUBMITTED TO THE

ROYAL COMMISSION ON BOOK PUBLISHING

by

THE TORONTO GRAPHIC ARTS LABOUR COUNCIL

Local Union No. 1, Toronto Newspaper Printing Pressmen.

Local Union No. 5, Toronto Mailers Union.

Local Union No. 10, Toronto Printing Pressmen and Assistants.

Local Union No. 12L, Lithographers Photoengravers International Union.

Local Union No. 21, International Stereotypers and Electrotypers.

Local Union No. 28, International Brotherhood of Bookbinders.

Local Union No. 35P, Lithographers Photoengravers International Union.

Local Union No. 87, American Newspaper Guild.

Local Union No. 91, Toronto Typographical Union.

Local Union No. 466, Printing Specialties and Paper Products, Union.

TORONTO, ONTARIO. MARCH 26, 1971.

1.

"Summary" follows Recommendations at conclusion of the Brief.

THE TORONTO GRAPHIC ARTS LABOUR COUNCIL

The Toronto Graphic Arts Labour Council represents approximately 10,500 workers employed in various aspects of the printing industry. The Council, although recently established, is comprised of ten local unions, many with a long history and tradition in the process of book production. From the very beginning of book manufacture in Canada the craftsmen employed were active in promoting an organized approach to their relationship with the employers. Equally they were in the forefront of public movements designed to improve the life of the community in the areas of Education and social reform. It is in keeping with the record of being involved in seeking solutions to matters of grave public concern that we welcome this opportunity to present our brief to the Royal Commission on Book Publishing.

"all the known world ... is governed by books"

Voltaire

"... only about 5% of all books sold in Canada are authored, published and manufactured by Canadian controlled publishers."

The Canadian Book Industry,
Dept. of Industry, Trade and
Commerce, Ottawa

Like so many other areas of Canada's economy, our printing and publishing industries have slowly and relentlessly been slipping into the grasp of American ownership. In some industries this is understandable, in some regrettable, and in some both dangerous and unnecessary.

The printing and publishing industry falls into the third category. For this industry, producing the basic tools of education and culture, to be owned and controlled by a country whose cultural values and educational standards are not our own, presents a clear and present danger to our ability to educate ourselves and our children in a manner we believe appropriate.

It will also seriously hamper our already difficult task of maintaining viable Canadian book manufacturing industry in the shadow of the world's most insisting neighbour. This takeover has two additional facets that make it

even more repugnant to Canada than most. American ownership usually means that control of the industry, and most of the profits migrate south. The jobs remain in Canada: only the ownership is changed. In this industry however, the American owners have a genuine financial incentive to curtail the Canadian operations. It is more profitable and with less risk to market in Canada, books published and manufactured in the U.S. than those published and manufactured in Canada.

The other facet, and ironic one is that the Ontario tax payer's dollar plays a major role in this drama. At least half of the books consumed in Canada are text books. More than half of the texts consumed in Canada each year are imported. Ontario has 41% of Canada's text book sales. This means that at the very least, Ontario tax payers probably pay some $29 million for foreign text books each year, which in addition to teaching the values and judgements of another culture, results in thousands of lost job opportunities for Ontario workers.

It will be the aim of this brief to set before you the facts as we see them concerning the difficulties this industry faces; the basic underlying reasons for these difficulties, and to offer you our suggestions as to how these difficulties may be overcome.

THE INDUSTRY

It has been estimated that Canada's book publishing industry is comprised of as many as three hundred firms and other organizations. Of this number however, about 150 firms listed 95% of the books offered in 1969.

The same pattern is apparent in the manufacturing of books. While quite a few firms are engaged in all or some of the stages of manufacturing, six firms account for most of the activity in this sector. Some publishing firms manufacture books as well.

It should be noted that Toronto is the centre of Canada's book industry as most of the larger book publishers and the larger book manufacturing firms are located in that city.

Some of the most useful statistics regarding both the publishing and manufacturing industries are to be found in a recent survey entitled "The Canadian Book Industry", published by the Department of Industry, Trade and Commerce. The information therein is particularly useful because it contains some reasonable estimates, made in an attempt to fill some rather large gaps in statistics published by the Dominion Bureau of Statistics. For this reason, our brief will rely heavily on the figures contained in that survey, while of course drawing our own conclusions.

Clearly that despite the presence of a large number of firms, the publishing industry is dominated by a relatively few large firms which are owned or controlled in the United States. This degree of foreign ownership in the publishing industry does not exist in any other country. Canada alone seems totally unconcerned with the implications of such a high level of foreign control over so vital a sector of our economy.

While expecting the Canadian industry to be considerably smaller than that in the United States, we were frankly surprised that the share of GNP resulting from book publishing and manufacturing was only 0.06 compared to 0.22 in the U.S. This measure is not based on the size of a country and it shows the Canadian industry to be 3-4 times smaller than the U.S. or as the Department of Industry, Trade and Commerce survey stated -

> This therefore indicates that the Canadian book publishing industry has a potential for marketing Canadian-made books equivalent to 3-4 times their 1969 level of Canadian-made books.

Before examining the reasons why Canada does not supply her own potential market, let us first establish the size and nature of this market.

TABLE I

Estimated Consumption of Books
by Type, Canada, 1969

Type of Book	Publishers Sales Value ($'000,000)	(%)
Textbooks	111.0	50
Tradebooks	60.0	27
Specialized Books	42.0	19
Other Books or New Books	9.0	4
	222.0	100

By far the largest single category of books consumed in Canada is textbooks. One-half of all the books consumed in Canada are of this type, making the problem of large numbers of imported textbooks a double one. Not only does it present a threat to our educational program, but it denies to Canadians a fair share of the largest segment of the book market.

As one would expect, the markets for books parallels the types of books consumed. School agencies consume 40 percent of all books bought in Canada while universities account for an additional 15 percent. In other words, more than half of all the books consumed in Canada go directly to educational institutions. Another institution used for learning, libraries, consumed 18 percent, and undoubtedly some of the sales attributed to other markets have been used for educational purposes.

TABLE II

Estimated Canadian Book (Market)
by Consumer, 1969

Canadian Consumer	Publishers Sales Values ($'000,000)	(%)
School Agencies	88.8	40
Libraries	40.0	18
Wholesalers and Retailers	40.0	18
University Book Stores	33.4	15
Direct Mail and Book Clubs	17.6	8
Others	2.2	1
	222.0	100

Where do these books come from? Table III below shows the source of supply of books consumed in Canada.

TABLE III

Estimated Source of Supply
Books Consumed in Canada, 1969.

Source and Type of Supplier	Publishers Sales Values ($'000,000)	(%)
Canadian made and published books	54.8	24.7
Canadian made adopted books	22.4	10.0
Foreign made books imported by publishers	83.7	37.8
Foreign made books imported by other distributors	30.1	13.5
Foreign made books imported by end users	31.1	14.0
	222.0	100.0%
Total Canadian made	77.2	35.0
Total Imports	144.8	65.0

One need not study the above table for too long to discover why Canada does not come close to meeting the potential market for Canadian authors and manufactured books. The answer is simple, almost two-thirds of the market is supplied by imports. Of these imports at least eighty percent or about $115 millions are from the United States.

TABLE IV

Estimated Canadian Book Imports by Type, 1969

Type of Book	Publishers Sales Value ($1000,000)	(%)
Textbooks	56.2	39.0
Tradebooks	51.1	35.0
Specialized books	32.0	22.0
Other books and New Books	5.5	4.0
	144.8	100.0%

The facts are clear. Imports hold 65 percent of the total Canadian market. In the sensitive are of text books imports account for just over 51 percent of text books consumed in Canada. Both figures represent a staggering share of the Canadian market; a share unequalled in any other major country; a share which would be judged intolerable in any other country able to supply its own needs. And yet, despite the fact that imports had been climbing at phenomonal rate, (imports of books and pamphlets increased 530% from 1961 - 1969) the problem has gone largely unnoticed by the public at large and has aroused little concern except among those whose very livelihood depends on the manufacture of books in Canada.

It has been estimated that manufacturing costs total about 40 percent of the publishers sales dollar. Applying this formula to the $77.2 million of sales in 1969 one arrives at an estimated revenue for the book manufacturing industry in Canada of about $30.9 millions. Using the same procedure with regards imported books it can be estimated that imported books resulted in lost revenue to the Canadian book manufacturing industry of about $57.9 millions. The Canadian consumer of books, therefore, contributed $2.00 of revenue to foreign book manufacturers for each $1.00 which benefited manufacturers and workers in Canada.

One of the obvious results of this high level of imports has been in fact to diminish the number of job opportunities in Canada. Canadian book publishers have been engaged in a high profitable business of exporting Canadian jobs abroad, particularly to the United States and importing books in return.

Figures produced to show the levels of productivity in the book manufacturing industry can easly be used to show potential jobs lost by the importation of books. For all companies in the Government survey referred to above sales by manufacturers totalled $13,350 per hourly employee. On this basis, $57.92 million in lost sales meant 4338 lost jobs. This figure is almost double the 2289 workers presently employed in the industry in Canada.

The above figures represent lost job opportunities. In addition there are figures that show there has been a decline in actual employment.

TABLE V

Production workers in Publishing and Printing Industry, Ontario 1961-1970.

Year		Number of Workers
1961		6924
1962		6916
1963		6901
1964		6655
1965		6782
1966		6888
1967		7195
1968		n.a
1969		6219
1970	10 mos.	6392

The pattern apparent in the above table reflects the increased activity in the industry resulting from Canada's Centennial. Without that stimulus the picture generally has been one of declining employment in the industry. The United States for the same period has shown an increase in employment in this sector.

Having examined the job loss situation resulting from imports, we would draw your attention to the fact that workers in this industry face an additional threat to their job security through technological change.

In general the area of such change which has the greatest impact on the book printing sector is the increasing use of the offset process for printing. Another problem which while it cannot be said to be directly a result of changing technology as the process has been around for years, is the rapidly increasing use of various copying machines to produce a few copies of books. This method of reproduction is used in particular by schools, universities and libraries.

The use of audio visual devices in the learning process has also had an impact. Here the problem is a misuse of the audio-visual technique and hopefully, both for the students and instructors as well as the book industry, this fault will be corrected as use of the systems become more sophisticated. The use of audio visual equipment was never designed as a substitute for books but as a dynamic teaching tool which will supplement the use of books.

Another factor of particular concern to us in this industry is the role of the so called conglomorates. These multi-headed hydra's gobble up diverse industry with the apparent goal being to accumulate more capital for more acquisitions. While we believe these monsters to be a threat to a competitive economy in general, we find them particularly repugrant in the publishing field. It probably doesn't affect the esthetic value of a sewing machine or a hot dog if it is made by the same company. A book is different. A book cannot be a by-product of profit or capital accumulation. We greatly fear that the continued presence of conglomorates in the publishing field may well result in the lowering of standards to reach the lowest common demonirator in order to increase volume sales. At the present time several publishing firms are owned by conglomorates, Van Nostrand (Lytton Industries) Holt, Rinehart and Winston (C.B.S.) Ginn and Co. (Xerox) and Simon and Schuster (a recent merger of Hunt Foods, Canada Dry and McCaul Publishing)

Why the High Level of Imports

Many reasons have been advanced for the high level of imports of books into Canada. This brief will examine some of the more important ones.

There can be no doubt that the high degree of American ownership is one of the predominate reasons for this situation. There are several ways in which this influences imports. To begin with it is only natural that an American firm will tend to push sales of American authors. This is particularly true when as a result of years of cultural exposure, these authors face little if any resistance on the part of Canadian book users. In much greater acceptance of imports than most residents of other countries. Having established wide acceptability in Canada of American authored and manufactured book it becomes extremely profitable to sell these books in Canada. As is common with so many products, the time required to extend a production run in the United States to provide enough of the product to service the Canadian market is minimal. This can obviously be done at a much lower cost than is required to set up and manufacture in Canada for Canadian market alone.

The above facts build towards an inescapable conclusion. If it is cheaper to publish books in the U.S. for sale in Canada, then obviously profit margins will be higher on these books than on those produced in Canada. If they are not in some cases it is probable that Canadian prices are higher to

maintain similar profit margins. In these instances the higher prices for Canadian books will in themselves act as an incentive to buy American books. The higher profit margins on Canadian sales of American books is also assured by the fact that the major portion of overhead costs will have been written off against expected domestic sales in the United States and any Canadian sales that may come along will be pure gravy as the expression goes for the Canadian publisher and their American parent.

To carry out this sales effort, the U.S. controlled firms can usually draw on a larger sales staff than the smaller Canadian firms. In addition much of the promotional literature, signs etc. have been developed and often produced at no cost to the Canadian operation. And, for whatever the reasons may be, as indicated by book users in Canada, the sales staffs of American controlled firms are more agressive and more service-orientated than their Canadian counterparts.

It must be strongly noted that the situation described in the preceding paragraphs while usually profitable to the publishers concerned and certainly not harmful, causes serious injury to Canadian book manufacturers. Their livelihood depends not on the total number of books sold, as is the case with the publishers, but on the total number of books manufactured in Canada.

It should be noted that the largest categories of books imported into Canada do so duty free. While this is also true for books entering the United States from Canada, the American industry possesses a far more effective weapon of protection than the tariff. This protection lies in the manufacturing clause of the U.S. Copyright Law. This Act prohibits the importation into the United States of more than 1,500 copies of any printed matter manufactured in another country if that printed matter is in English and is authored or illustrated by an American Citizen regardless of whether he lives in the United States or not or any resident of the United States regardless of nationality, under penalty of losing their copyright protection.

The act also specifies that all stages of the manufacture, typesetting, platemaking, engraving, printing and binding must be carried out in the United States. These requirements virtually assure the use of American materials as well.

Faced with this virtual embargo, Canadian manufactures are in fact prohibited from seeking orders for printing material from American customers. And, as we are repeatedly told, Canadian industries need longer production runs to remain efficient and we must seek sales abroad, particularly in the vast American market to accomplish this. American authors living in Canada and Canadian authors living in the United States are forbidden to have their books manufactured in Canada for sale in the United States on pain of losing their copyright protection.

There is no doubt that the samll size of the Canadian market has an influence on the level of imports. For some specialized books, a publisher will often import from the United States the small number of copies he needs for a customer rather than to to the expense of developing or even manufacturing an adopted version in Canada. It is unlikely that this type of import can or should be limited. Limits in this situation would only lead to inefficient manufacturing and unnecessarily high prices. On the other hand imports in substantial numbers where orders are still relatively smaller than American sales and somewhat cheaper than the Canadian produced would be is another story. Higher profit margins in in these cases, as mentioned above, undoubtedly increase imports.

In many cases the smaller Canadian market will result in higher production costs and higher overhead costs per unit. This situation could be markedly improved if we secured a larger portion of our domestic market and were able to export to the United States. Until those events occur, we beleive the higher costs should be a cost to all of us as a sort of down payment of our perpetual goal of maintaining a Canadian identity and a viable Canadian economy.

The size of the Canadian market also has a direct influence on the cost of developing textbooks. To develop a suitable text usually requires a year or more of the work of several people engaged in research, writing, preparation of graphs, charts and photographs and design. This can be a

costly process and at the end of it a publisher may find that the course has been changed, or the text is not approved by the Department of Education or if approved, doesn't sell. The publisher must underwrite the development process and be prepared to take a loss at the end of it. And, if the text is successful he will sell far fewer books than an American publisher and will thus have a higher development and other overhead cost per unit. The situation described above pertains to specialized books to some extent but the main impact is felt in the textbook sector and must rank as one of the predominate reasons for the particularly heavy inflow of imports in this area.

The Commission should be aware that the publishing and manufacture of text books has been the mainstay of the book industry. It is the volume in this segment that has allowed us to maintain an industry capable of producing specialized and trade books in Canada. The continued weakening of the text book sector threatens the viability of the entire book industry in Canada.

Another problem area which is in some way related to the size of the Canadian is the serious lack of capital which faces most of the Canadian owned firms in both publishing and manufacturing. This shortage makes financing of text book and other development projects difficult and sometimes impossible. It makes publishers more cautious in bringing out new books of all types as they are in a poorer position to absorb losses in cases when sales fall short of costs.

One of the serious problems created by the lack of capital is that many firms find it increasingly difficult to keep up with the rapid changes in technology. For example, it has been estimated that the average life of an important piece of machinery in Canada exceeds that in the United States by up to three years. Despite this difficulty, however, Canadian publishers manufacturers are capable of doing any work in this area that their American counterparts can. We have the equipment, and the techniques and the sophistication to turn out books of a quality the equal of anyone.

While the importation of American manufactured books by publishers accounts for the largest volume of this type of import, the importation by other distributors is of increasing significance. News dealers such as Sinnot News and United Cigar Stores import large quantities of American books, often excluding all but the most popular Canadian works. The vast network of distribution centres in supermarkets, drug stores and air, train and bus terminals are largely owned by American firms who again, stand to make larger profits by carrying mainly American books.

Book clubs are another major source of imports as few volumes by Canadian authors find their way on the offerings of the major clubs which are again American owned. And, even those that do make the Canadian list are rarely offered to American members of such clubs. This sort of situation is inexcuseable.

And, if all the above practices and hurdles were not enough the postal rate structures of the two countries provides a further barrier to Canadians and a further incentive to imports from the United States. In the United States books shipped to Canada pay book rate which is less than ordinary parcel post but provides the same service. In Canada, there is a book rate but the savings was not as great and now with the most recent increase in postal rates books shipped in Canada cost considerably more than they previously did. Postal rate increases are a serious blow to smaller Canadian publishers while their larger American competitors were in a much better position financially to absorb the increased cost.

The loss of business to imports has left the industry with a serious problem of over capacity. Because of this situation we viewed with dismay the granting of forgiveable loans by the Provincial Government to expand capacity in the industry as a part of a program to create jobs. The use of the taxpayers money to create wasteful excess capacity in any industry is deploreable. If the desire was to produce jobs it could be viewed with some favour. In this case, however, the result can only be the creation of some low wages jobs in Kingston and Owen Sound and the probable loss of a similar number of high wage jobs in Toronto. It also strikes us as another example of the Governments apparent desire to finance the movement of jobs, from the union to non-union centres of Ontario.

The Peril of Foreign Ownership and Control

The spectre of foreign ownership and control is nothing new to Canadians. We have watched as company after company slips into foreign hands, primarily American. We have watched as foreign ownership of our manufacturing section has reached close to the seventy percent. To be sure there is varying degrees of opinion as to how great the danger is and even more agreement as to how it can or should be corrected. It is our contention that on balance the high level of foreign ownership and control of Canadian economy presents a clear and present danger to the maintenance of Canada as a politically independent nation, a serious barrier to enforcement of any Canadian governments economic policies and in general works to the detriment of the Canadian economy.

We are not impressed with those who say that we couldn't have done it without the Americans. While we must undoubtedly acknowledge the role of imported capital in our development we believe this could have been accomplished with loan capital without virtually selling our country. No other country in the world has sold its soul for an increased standard of living to the same extent as we have.

There is a vast amount of evidence to show that our export potential has been severly limited by the administering of markets by the parent companies of our so-called "Canadian" subsidiaries. Trade with some of the communist countries, approved by the Canadian government, has been interfered with or prevented by the actions of these multi-national firms.

There is equally good evidence to show that our imports from the United States have been inflated by the practices of buying from the parent even if it could be manufactured in Canada more cheaply. Our relatively high tariff structure benefits the American owned multi-national corporation more than any other sector of our economy.

Their role in setting up in Canada a duplicate in miniature of the United States manufacturing sector is a major contributing factor to the continued high cost production in Canada which results from serious problems related to scale and specialization. Canadians pay higher prices to many manufactured goods as a direct result of the ownership and control of this sector by foreigners.

Canadians, in general, appear to have a growing awareness of the threat to their political and economic independence and politicians of all political stripes acknowledge this growing concern by rushing forward trying to get out in front and appear to be leading rather than following. We agree with the increasing nationalist sentiment that has manifested itself in Canada. While not wishing to become narrow or provincially minded we reject the contention that some degree of nationalism, national pride, or awareness of ones identity as a nation is a bad thing. Perhaps if we had had a bit more of it sooner we wouldn't have as many problems in this

area today. We also reject the idea that if we talk about it too loudly, let alone do anything about it every American businessman in Canada is going to go home and take his money with him.

There is no other country in the world that has so few restrictions on the activities of foreign capital and business within its borders. We are in a word, a soft touch. American business faces much tougher regulations in all other countries in which they operate and it hasn't scared them out. In fact outright nationalization in some countries of some American firms has not scared out others.

And while acknowledging that there is a problem in general we hasten to add that in some areas it has already reached proportions that present an immediate danger to our continual independence. Communications, the media publishing and education represent the only hopes we have to communicate with each other and educate our children as Canadians. It is our belief that in these areas foreign ownership and control should be forbidden. Obviously this is not a practical solution at this stage in our development but it must surely be a primary goal to attempt to regain some measure of control over these areas.

The Canadian content regulations of Canadian owned and controlled television shows our concern in this area. And even that protection is threatened by the spread of cable T.V.

As Canadians we pay a price to assure a wide dissemination of Canadian ideas and culture through the C.B.C.

We own our newspapers but when it comes to periodicals we find a few brave Canadians fighting for the crumbs of a market dominated by Time, Life, Reader's Digest and several other American publications which push a distinctly American view, the Canadian section of Time included of the world, its politics and its culture.

In our book industry we already have a degree of penetration that as was stated is unequalled anywhere in the world. Almost two-thirds of the books sold to Canadians are imports. This in itself represents a staggering exposure to the ideas of another culture in relation to our own. The economic repercussions have been discussed at length. The cultural repercussions are as dangerous if more subtle. And nowhere is there a greater danger than in the textbook field.

In all of the above areas, television, newspapers, periodicals and even general books there is a degree of value in different points of view and much of the material is opinionised and accepted as such. In text books we have no such luxury. We wouldn't teach with Time Magazine and yet we appear to be willing to teach with other equally biased items becuase they are categorised as books. Text books must represent the highest degree of knowledge in a field, consistent with the level of the text and must be presented with as little bias as possible and from the point of view

of the society doing the educating, particularly when that society has difficulty in maintaining its own identity in relation to neighbouring societies. The French don't use German Texts. The Chinese don't use Japanese texts and so on, and they have a lot less to fear from cultural penetration then we do.

The Government of Ontario has abrogated its responsibility in this area. The governments policy on textbooks had, in the past been implemented through a document known as Circular 14 issued by the Ontario Department of Education. Circular 14 is an approved list of textbooks which is comprised mainly of books authored and published in Canada, and as a result, manufactured in Canada. On the face of it, Circular 14 should have meant that most text books purchased by school boards in Ontario would be Canadian. The record of enforcement of Circular 14 can be shown by the fact that in 1969 a dismal 41 percent of textbooks purchased by our schools were Canadian. So much for the enforcement of Circular 14. And, there is evidence to suggest that the position has deteriorated even further. For example, until 1969, School boards were given $3.05 per student to be spent on books. This amount is now part of the overall grant, not specifically books. One can only assume that with the present budget difficulties facing boards, book purchases are one of the areas facing cutbacks. Recent cuts in the Toronto School Board support this assumption. Why in the face of a supposed policy of the Department of Education has the situation deteriorated so rapidly.

One of the main reasons for the lack of policing by the Ontario Department of Education is a decision not to interefere too much in order to give the school boards some leeway in adjusting to the high costs brought about by amalgamation. The problems for the school boards were further aggrevated by the policy of the provincial government to provide textbooks free. While we wholeheartedly support this latter policy it has created serious problems. To begin with school boards, under budget pressures, sought out the cheapest texts, too often these were American. Secondly, in an attempt again to conserve funds, school boards unfortunately tried to make their books last as long as possible. This practice led to a drop in the potential market. It has also, of course, resulted in the continual use of some outdated texts, and texts in poor condition.

Another factor which has limited the number of new Canadian texts added to Circular 14, and thus, sales of Canadian texts, is, as was mentioned above, the cost of developing texts. To be approved and placed on Circular 14, a textbook must be given to the Department of Education in finished form. This means for a Canadian text that all the development work, design, publishing and manufacturing must be completed before a single sale is achieved. For an American text it is a simple matter to submit books already approved and sold in the United States.

And so, in an attempt to save money we are sacrificing the content and our children are exposed more and more to learning based on the use of foreign-oriented text books. Only in Canada could such a thing happen. Our tax dollars, are used to provide a second-hand American education for our children and the government stands around and continues to discuss the matter to fall back on that age old chestnut to avoid making a decision, the Royal Commission. If there was ever a Royal Commission Report that will be redundant it may well be this one. Ostensibly called to conduct an investigation of the book publishing industry, the unchallenged sales of Ryerson Press and W.J. Gage make the Royal Commission's task more like a post mortem of the Canadian owned book industry. While the Canadian textbook industry is slipping through our fingers the Ontario Government has set up a Royal Commission. To merely trace the series of events leading to foreign takeover would be a farce. The urgency of the problem demands positive and immediate action.

Let us hasten to add we are not advocating that foreign books be banned. Nothing of the sort. We are stating only that most textbooks used in Ontario schools should be Canadian authored, published and manufactured. We believe our tax dollars should be used to support Canadian creativity, Canadian ideas and culture and Canadian workers. William Shakespeare is not Canadian and never will be, but a grade 7 geography text can and should be.

Recommendations

1. The Provincial Government should forthwith enunciate a policy on the publishing and book manufacturing industries. This policy should state clearly that foreign owners having purchased Canadian companies are only to use the copyright imprints and other rights if they manufacture in Canada those books intended for our market.

2. The spirit as well as the letter of Circular 14 should be strictly enforced. It should be a clearly defined policy of the Department of Education that at least 75% of textbooks used in Ontario be Canadian authored, published and manufactured.

   While desiring, for obvious reasons, to be more flexible in our approach regarding the number of Canadian books in school libraries, we believe it would be desirable for the Department of Education to establish guidelines in this area which would lead to a greater number of Canadian books being available to students and teachers alike through their school libraries.

   Our definition of textbooks in this area includes other printed matter used as educational aids such as the increasingly popular learning kits.

3. A Crown Corporation should be established to aid in textbook development. Such a device is obviously thought necessary and appropriate in the field of television, radio and films; and indirectly through Canada Council and other grants to the arts and similar cultural endeavours. Surely it is a necessary and appropriate device for the development of textbooks in Canada.

4. The Department of Education should immediately call for meetings with the Departments of Education of other provinces to attempt to workout a greater number of standard texts. This will allow longer production runs, lower costs and thus lower prices.

   It is not our suggestion that standardizing texts would be a way of mass producing cheap texts for the lowest common denominator of the market. Rather, we see the above mentioned meetings resulting in the development and adoption of a high quality series of texts designed for use throughout Canada.

5. The Government of Ontario should bring together in a conference Canadian authors, Canadian publishing-manufacturers and other creative people. This conference should consider methods designed to encourage the development of a body of high quality literature suitable to instructional needs of elementary, secondary and university students based on Canadian experience.

6. The Provincial Government should establish voluntary guidelines for Universities in Ontario setting out suggested quotas relating to the number of foreign professors teaching in certain departments. This we believe is a necessary step in view of the continuing encroachment of American professors, particularly in the Social Science. This step would undoubtedly lead to a greater use of Canadian texts and other books in our universities.

7. A survey of the currency and condition of textbooks presently being used in Ontario should be undertaken. If such a survey determines that texts are out of date and/or in poor condition the Province should reinstate the specific grants for textbooks at a level which will bring about the degree of currency and condition deemed suitable.

8. The Province of Ontario in concert with other provinces should request the Federal Government to provide the same protection to the Canadian printing and publishing industry as is afforded to their American counterparts by the Manufacturing Clause of the United States Copyright Act until and unless that clause is revoked. As long as Canada is denied this access to the American market we feel it is only just that some limitation (up to 1500 copies of any book would still be allowed entry) be placed on the unrestricted importation of American books into Canada.

The Toronto Graphic Arts Labour Council wants to make the point here that parent International Unions involved support the removal of the Manufacturing Clause restrictions of the U.S. Copyright Act insofar as they pertain to Canada.

A summary of the Brief Presented to the
Royal Commission on Book Publishing by
the Toronto Graphic Arts Labour Council.

The Problem

Like so many other areas of Canada's economy, our book printing and publishing industries have slowly and relentlessly been slipping into the grasp of American ownership. For these industries, producing the basic tools of education and culture to be owned and controlled by a country whose cultural values and educational standards are not our own, presents a clear and present danger to our ability to educate ourselves and our children in a manner we believe appropriate. It will also seriously hamper our already difficult task of maintaining a viable Canadian book manufacturing industry.

The problem is particularly severe in the case of text books. Ontario taxpayers probably pay some $29,000,000 for foreign texts each year, which in addition to the above mentioned difficulties,results in thousands of lost job opportunities.

THE INDUSTRY

Toronto is the centre of Canada's book industry as most larger book publishers and larger book manufacturing firms are located in that city. While there are a large number of firms involved in the combined industry, about 150 publishing firms and 6 manufacturing firms are responsible for most of the value of the industry's output. Most of these larger

firms are owned and/or controlled outside of Canada, and particularly in the United States. The Canadian industry is 3-4 times below its potential size when compared to the United States.

The total market for books in Canada is valued at $222 millions. Of this number textbooks represent the largest single type comprising $111 millions or one-half total consumption. It follows that educational institutions, schools and universities are the largest consumers of books, some 58 percent of the total. Libraries and wholesalers and retails account for 18 percent each of publishers sales values.

However, the pattern of takeovers by American Companies, particularly the so-called conglomerates is one of the most serious problems facing the book industry in Canada.

Why the High Level of Imports

There are several reasons advanced by the brief for this. One of the primary factors is the natural tendency of American firms operating in Canada to favour American authors. This has a financial incentive as well for books manufactured in the United States with much longer production runs are cheaper than those authorised and manufactured in Canada on a smaller market. Publishers make higher profits by marketing American books.

The size of the Canadian market makes all books, but particularly text books, more expensive to develop. This leads to increased imports as well. Shortages of capital, virtual nonopolies over newstand sales in Canada by American firms, the discriminatory (to Canadian books) operators of book club and postal rate differences all contribute to the high level of imported books flowing into Canada from the United States.

The Peril of Foreign Ownership and Control

The spectre of foreign ownership and control is nothing new to Canadians. We have watched industry after industry slip into foreign hands, primarily American. In few industries is this problem so acute or so potentially dangerous as in the book industry and particularly in the textbook segment of that industry. In other media areas we have moved to guarantee or protect Canadian interests and culture. In textbooks and the book industry in general we have failed to act. We are left exposed to the ideas and culture of another society while neglecting to provide the tools to educate ourselves and our children in the Canadian experience.

Of the total number of books consumed in Canada in 1969, $144.8 million worth were imported while only $77.2 millions were manufactured in Canada. Of the imports, about $115 millions or 80 percent were from the United States. Textbooks are the largest single type of import valued at $56.2 millions or 39 percent of the total. The share of the total market and the share of the textbook market are unequalled in any other country capable of supplying its own needs.

It is estimated that the revenue of book manufactures in Canada totalled about $30.9 millions, while revenue lost through the import of book manufactured abroad was about $60 millions. This latter figure represents 4338 lost job opportunities in Canada, or almost double the present 2289 jobs. D.B.S. figures also show a drop in production workers in Ontario's Publishing and Printing Industry in the last nine years despite a brief period of activity connected with our Centennial year. Technological change and an increase in the use of copying machines and audio-visual equipment have also contributed to the job problem in the industry.

The Government of Ontario has abrogated its responsibility in this area by its failure to enforce Circular 14, the list of approved books issued by the Department of Education. This list is comprised mainly of Canadian books. The reason generally advanced for this failure is to ease budget pressures of school boards ~~recently~~ resulting from amalgamation and the decision of the Province to provide free textbooks. These problems have led school boards to buy fewer books and the cheaper books, usually American. The difficulty and expense of developing and producing a text for approval in Ontario by the Canadian firm contrasted with the ease by which an already approved and marketed American book can be submitted undoubtedly adds to the problem.

A Royal Commission investigation and report of publishing difficulties or American takeover will be of little or no value unless positive solutions are proposed and acted on.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

BURNS & MacEACHERN LIMITED

APRIL 13, 1971

Burns & MacEachern Limited
Submission to the
Royal Commission on Book Publishing

It is not our intention in this Burns & MacEachern submission to the Royal Commission on Book Publishing to comment on the more obvious aspects of the publishing industry in Ontario falling within the announced terms of reference of the Commission. We are assuming that this will be done in the comprehensive brief being prepared by the Canadian Book Publishers' Council, while the main points will no doubt be amplified in the individual submissions of other publishers.

As President and owner with my wife of a Canadian company actively engaged in the publication of original Canadian books, but at the same time heavily involved in the marketing of imported books, I am doubly conscious of the peculiar stresses and marketing problems facing the Canadian owned publishing firm today. In this context it is perhaps worth noting that we are one of the very few Canadian owned companies having well-established marketing departments in all three of the main publishing areas; namely trade books; college and professional books; and school texts and references. Each of these departments contributes roughly one third of our total annual sales, which last year were just over $1,200,000.

In this brief we wish to touch on two points which are of particular concern to the owners of Burns & MacEachern.

1. The problem of survival which faces the small publisher of Canadian books.

2. The need to modernize and rationalize the Canadian book industry from within before seeking massive outside financial aid from government sources.

. . . . . .

1. In the many briefs which the Commissioners have received there will no doubt be frequent references to the imminent demise of the Canadian agency house. It will be pointed out that the traditional agency function has become less essential as improved transportation and communications break down national boundaries and stimulate international trade. Much of the university library business in this country has already been taken over by the big multi-national wholesalers such as Baker and Taylor of New Jersey and Bro-Dart Inc. of Williamsport, Pennsylvania. It is assumed that other library systems will sooner or later follow suit. More serious than the gradual erosion of long established markets is the ever present threat to the agent of suddenly losing the major part of his business through the decision of one or more of his larger principals to move into Canada — that is, to set up a subsidiary company to carry out the entire marketing function in this country. Since 1950 most of the largest American book publishing corporations which formerly had marketing arrangements with Canadian agency firms have in fact elected to set up their own subsidiary corporations in Ontario. In discussing this dreaded "subsidiary" hazard the publisher/agent sometimes attempts to console himself with the argument that new money is coming into publishing all the time — new firms in the U.S.

and Great Britain are being created every year — so that there will always be new lines to market. But those of us who have grown up in the agency business know that this argument has one serious flaw. It is that the economics of the agency system are such that, generally speaking, five small principals giving a combined sales volume of $100,000 will not compensate for the loss of a single firm giving an equal sales volume. (The overhead costs on a small agency are relatively much higher.)

When the Litton Corporation made the decision in 1970 to establish Van Nostrand Reinhold Canada Limited in Toronto we lost the valuable Reinhold line, just as McClelland & Stewart Limited lost the substantial Van Nostrand technical and college line. While we are continually being offered small lines, which involve relatively high overheads in relation to sales volume, we have not been successful in finding a replacement for Reinhold giving us a comparable volume. We are uneasily aware that in the not too distant future, at least two of our most important principals will have attained a sales volume which would make it economically feasible for them to consider setting up in Canada on their own.

Faced with the changing economic conditions outlined above, it requires no great perspicacity on the part of management to recommend an immediate search for new fields of activity offering more security and better growth prospects. But it is precisely at this point that those of us in the agency business run into what I can only call a major economic fallacy which has for too long been uncritically

accepted in publishing circles. In its simplest form this beguiling doctrine holds that for the Canadian agent the road to salvation and ultimate respectability points to Canadian publishing. But like the Calvinist doctrine of predestination this turns out to be a highly selective form of salvation. For the plain fact is that if every Canadian publisher/agent suddenly made the decision (as McClelland & Stewart bravely did some years ago) to abandon the agency business and hazard all resources on an aggressive new Canadian publishing programme the repercussions on the entire industry would be catastrophic. There is already a temptation to publish mediocre books which return little or no profit to the publisher and insignificant royalties to the author, because this country has only a limited number of really talented writers, and most of these established authors are already under contract, or have satisfactory working arrangements with big houses like Macmillan and McGraw-Hill which can offer international marketing facilities. As an intimation of what could happen in the way of over production we should remember that in 1967 under the stimulus of the Centennial celebrations we saw in Canada tremendously accelerated publishing schedules resulting in a great many books of doubtful merit thrown on a market which proved to be unable to absorb the increased output. One has only to browse through the remainder tables in some of our bookstores to observe the unfortunate end results of unselective and superficially researched publishing projects.

It must be acknowledged that, for one or two firms, a carefully planned long range programme of original publishing, involving inspired editors supported by meticulous market analysis might bridge successfully the dangerous gap between the traditional and generally unimaginative routine of selling other peoples' books and the intensely innovative and creative role of original publishing. But it is unrealistic to suggest that the majority of the old line agency houses are capable of ensuring their survival through this route.

2. Since a number of my publishing colleagues will probably disagree with what follows it should perhaps be considered as a rather personal observation.

I welcome the sudden concern evinced by the news media and the general public for the future of Canadian book publishing which has resulted from the sale of the Ryerson Press. I concede also that the industry is in truth passing through an unusually difficult phase. But in commenting on this so-called crisis situation it seems to me that altogether too many people have adopted the attitude that the Canadian publisher is the innocent victim of adverse circumstances; that a series of malign economic trends have combined to disrupt his business and undermine his profits. The predictable reaction is a call for aid — legislation to give better protection against "unfair" competition; financial aid through low interest loans, outright subsidies, etc. and etc. Granted that a measure of support for the industry along the lines

indicated by Campbell Hughes, President of the Canadian Book Publishers' Council, in his Annual Report certainly is desirable; yet it also needs to be said that Canadian publishing executives have been slow to adopt new technology, new management techniques and new marketing concepts. We have clung too long to the accepted formulas that worked so satisfactorily for us in the past. We have been childishly insistent about retaining our much vaunted individuality at the very time when changing economic conditions called for industry co-operation to develop a badly needed framework of statistics on Canadian publishing, to further market research and to unite in a concerted public relations effort to improve our image with the librarians and booksellers — our most important customers.

Evidence is not lacking that, whatever we may think of ourselves, other segments of the book trade — including librarians, teachers and booksellers — consider the management group in Canadian publishing to be ultra-conservative, unduly complacent and at times downright incompetent. We have tended to react to these accusations with incredulity or sheer indifference. If this appears to be an overstatement of the case it is perhaps worth considering some specific examples.

Item 1:

At least 75% of the book purchases made by Canadian university librarians go through American and British jobbers notwithstanding the fact that the great majority of the titles involved are handled on an exclusive representation basis by Canadian publisher/agents

and are consequently readily available in this country. It is true that it is more convenient for university acquisition librarians to buy virtually everything they need from two or three major suppliers; it may also be somewhat cheaper, although this argument is being increasingly challenged. But anyone who will take the time to discuss the problem of "buying around" with librarians will soon learn that the chief reason why the jobber has been able to take over this business is that the majority of publisher/agents have for years given shockingly bad service. Again and again we are told of the publisher's failure to send out advance information on new books; of unreasonably slow delivery after publication; and of unconscionably high mark ups (in this same connection it should be noted that buying around the Canadian agent is by no means limited to university librarians, and for exactly the same reasons).

Item 2:

Some of the ablest and most progressive booksellers in Western Canada make no secret of the fact that they have substantial accounts with American wholesalers and that their buying around the Canadian agent is a direct reflection of their dissatisfaction with the poor service offered by some Canadian publishers.

Item 3:

The Canadian Book Publishers' Council issued on February 2 the Survey of Media Response to Book Promotion in Canada conducted by Val Clery. This study report has some fairly devastating things to say about publishing attitudes and the general apathy which seems

to characterize the promotional departments in most Canadian publishing firms. For example, only 31% of the publishers approached took the trouble to reply to the questionnaire. As Mr. Clery remarks on Page 14 of the report

> "it was a disappointing response from those who would seem to have most to gain from the project and particularly from those whose own professional organization was co-sponsoring it."

Again, on Page 22 the report is scathingly critical of the way publishers prepare and send out their catalogues:

> "The people who don't have much fun with catalogues are the people who have to use them, not just editors and reviewers but librarians and booksellers as well. Twice every year they face the same tormenting problem — how to stack, pile or file another unwieldy multifarious collection of catalogues for easy reference. Not that reference is ever easy, what with published books forever masquerading as forthcoming books, with no date of publication more exact than a hopeful month, and with strange codes guarding books' true parentage."

Still on the subject of promotion on Page 26 Clery remarks

> "When the editor of a well-established magazine reaching 1¼ million Canadians has to plead with publishers for the opportunity to review their books on time, when a bookstore owner in Toronto (within

> 20 minutes drive of all the major publishing houses) cannot obtain supplies of books that are currently being reviewed, it has to be asked if publishers in Canada are serious about selling their books at all."

The isolated examples given above will perhaps suffice to underline my point that we have brought upon ourselves some of the acute problems which are presently threatening the industry. Apropos of the publicity following Jack McClelland's statement that he needed very large sums of additional working capital in order to survive, Prime Minister Heath's recent comment on the Rolls Royce collapse seems relevant. He is quoted as stating:

> "For too long, much of our apparent prosperity has been based on illusions. Management cannot go on indefinitely running a business on conditions that don't pay."

As publishers we must make up our minds whether we are ultimately running a business operation with its attendant risks and opportunity for profit, or whether we should elect to be treated as purely cultural non-profit organizations like the opera and the symphony, in which case subsidies and all other forms of aid are quite in order. But we cannot expect to have it both ways.

In conclusion we respectfully put forward for consideration two basic recommendations:

1. That the Commissioners in their report may see fit to urge Canadian librarians to make a more determined effort to purchase their books through Canadian channels, even if this involves more effort and a slightly higher cost. Much is at stake here, and surely the long term advantages to the nation far outweigh the short run economies.

2. That the Commissioners, while giving careful consideration to the many and varied proposals for channelling government aid to the industry, will nevertheless work on the assumption that the publishers, through their own efforts individually and collectively, must work out the solution to most of the problems now facing them. The main area in which government action could be helpful would seem to lie in the provision of extended low interest loans against the manufacturing costs of original Canadian works.

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This brief submitted to the Royal Commission on Book Publishing on the 26th day of February, 1971.

B. D. Sandwell
President
Burns & MacEachern Limited

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BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

S.C.M. BOOK ROOM

APRIL 13, 1971

S.C.M. Book Room
Toronto, Ontario

SUBMISSION

TO

ROYAL COMMISSION ON BOOK PUBLISHING

March 1971

R E S U M E

The S.C.M. Book Room is a specialized book store which sells books to customers from academic and religious communities and general readers. It stocks and orders titles in philosophy, theology, art, music, literature, history, the social sciences, politics, economics, race, films, and drugs. We try to maintain a current basic stock of these books and to have on our shelves useful reference works for high school and university students. We also order books that we do not usually stock for individual customers.

We have difficulty with a number of Canadian publishers who act as agents for British and American books in getting prompt and accurate reports, good service, and fast deliveries. The brief indicates the difficulties that arise in these areas and the added inconvenience of working with the Canadian book publishers who as a group have no set standard of policy or practice.

The brief includes recommendations for improved service and standardized procedures. It also urges Canadian publishers to publish more books with Canadian content by Canadian authors.

INTRODUCTION

This brief is submitted on behalf of the staff of the S.C.M. Book Room. We are concerned about the way Canadian publishers are filling their roles as agents for British and American books, and we are also concerned for customers who are paying high prices and receiving generally poor service from Canadian suppliers.

BACKGROUND OF S.C.M. BOOK ROOM

The S.C.M. Book Room grew out of the demand for study materials in units of the Student Christian Movement at universities across the country. In 1953 the Rev. Robert Miller began sending selections of books in theology and philosophy to interested students who were unable to find particular titles in their local book stores or libraries, and who wanted advice about what books to read in these areas. Today the S.C.M. Book Room stocks titles in the following subjects: philosophy, theology, art, music, literature, history, sociology, politics, economics, race, films, and drugs. It is located at 333 Bloor Street West, Toronto 181, Ontario.

The S.C.M. Book Room's current annual gross sales are over a half million dollars. We have expanded in fifteen years from a staff of one to our present staff of nineteen. In the same period our sales have increased from $1,500 to $600,000. Yet this is just a fraction of the total amount spent in Canada on books. In fact, according to the sales manager of one of the largest and most active publishing companies in Canada, the volume of business gained through retail book stores such as ours represents but 5 per cent of their total Canadian sales which include education and teaching

aids as well as books. That 5 per cent is the most expensive part of their business; it has the largest overhead and the book orders are the most costly to process. Our book store represents a very small portion of that company's 5 per cent. If there were a dozen more stores like ours across the country our existence in financial terms would scarcely be noticed, and if we were to disappear there would be no perceptible financial loss to any publishing company.

To consider only the financial aspects of our book store, however, is not to see the total picture. Twenty-one sales representatives call regularly each week, spending up to two hours each writing out the book orders for their companies. We are grateful to these men for taking the time to come and to bring with them books that are required in a rush and information about new books. We are a specialized book store keeping in stock, and not just for special orders, books of an educational, cultural and spiritual value. Our titles pertain only to the humanities and we do not stock technical books. Our customers come from the universities and religious communities, high schools and general readers in the community. We attempt to keep a basic, current, and very large stock of all the titles available in the particular subjects found in our store, and obviously there has been a response to our efforts.

Our store, and other retail stores like ours, are able to offer services to teachers and librarians, as well as ordinary individual customers, that they cannot obtain when dealing directly with publishers. The publisher can give information only on the titles he represents. In the Book Room each person in charge of a sales

department has a university education in the subject stocked in his department and all have worked in the store a minimum of seven years. It is up to the department head to decide what should be stocked and re-ordered and what should be left for special orders. At the same time he has a fund of information about authors and titles that do not appear on the shelves but are appropriate to his subject or related fields. We are consultants to librarians and teachers who might wish to know what editions of a title are available and the various prices, what critical material is available on a particular subject, in what collection or anthology a work can be found that is not listed under its own title, or what would be a suitable novel for study at a Jewish parochial school. For these reasons we have a number of high schools, college libraries and seminaries among our customers. They have the advantage of placing one order for their books, or making one phone call for enquiries, and they have the opportunity for informal consultation about suitable titles or ordering problems. We are able, through their business, to stock titles that may be too expensive or esoteric for the general reader but which would be essential to the specialist. We prepare book lists for direct mailing to schools giving the titles and prices of books in such subjects as Black Studies, Films, Canadian History and Politics, etc. We also prepare displays of appropriate books for conferences, lecture series and church libraries. We provide a vital service for the reading community through consultation, expertise, and knowledge that is not generally available elsewhere.

At the present time half our sales are in trade books which we obtain from the publishers at a 40 per cent discount. These we

retail at 10 per cent off the net price, except for mass-market paperbacks, which sell at full price. The rest of our sales are in text books which we obtain at discounts of 20 per cent and which retail at full price. We instituted our discount policy to make books available more cheaply to students. When it is considered that in fact we are retailing books which we obtain at discounts ranging from 20 to 30 per cent, and that a figure of 27 per cent represents our operating expenses, it can be seen that we have to be a very efficient and alert organization to stay out of the red.

SERVICE FROM CANADIAN SUPPLIERS

Although the sales representatives who come to our store are, for the most part, competent men, zealous in their efforts to sell their company's books, they nevertheless represent publishers who are often less than helpful to our type of book buying. It is what happens to our orders after they have been turned over for processing that creates the problems.

Probably every book seller says that service is the greatest problem he has with the publishers. In our case our greatest difficulty is with those Canadian publishers who act as agents for British and American books.

Books Not Stocked

We find that a number of the texts and reference works which might be used by anyone involved in post-secondary education are often not stocked in Toronto, and if they are, usually in a limited quantity unless the company has received prior notice. If Canadian agents

decide not to give warehouse space to the titles which represent only a small part of their business, then they should be able to order these quickly to satisfy the demand for them.

Delays in Filling Orders

Our experience shows that most orders for books not stocked in the local warehouse are filled too slowly and inefficiently. When we can deal with American publishers directly, we can have the books in our store usually in three to four weeks, and if we phone a rush order to the States the books can be on our shelves often within a week. During the busy fall term it was taking Canadian suppliers located in Don Mills approximately a month to fill our orders for books which they had in stock at the time, and one publisher was taking six weeks. In some cases where titles were reported out of stock, a check a month later showed that they had never been placed on back order from the United States or Britain. This is an appalling service to give an academic community that studies particular books on a set schedule. Most customers want their books as soon as possible, either for a course, a study or discussion group, a gift, or for learning more about a particular subject that they are interested in at the moment. We feel that if we cannot have within ten days the books that are ascertained to be in stock in Toronto then we should be able to give our customers a reasonable explanation. There is one American publishing company that accepts orders directly from us and which also has a Canadian agent. When we want a number of titles in a hurry we can place two orders, one with the company itself and the other with the agent. Even though the titles are reported to be in stock in Toronto, we receive the order from the United States first. Our

customers usually have to pay more for the books distributed through Canadian agents, with the exception of mass-market paperbacks, than they would pay if we imported them direct, and they should not be further harassed by delays.

Changes in Agents

Other delays in the filling of orders by Canadian suppliers are caused by the frequent shifting around of British and American publishers from one Canadian agent to another. Each time this happens there is a delay in service while orders and stock are transferred, with the result that people sometimes have to wait for several months before getting the books they need.

Time Chosen for Taking Inventory

The taking of inventory also interrupts the delivery of books. Many publishers stop all service completely while they are taking inventory. People are as anxious to obtain books during that period of time as any other, but some trade order departments are unable to give any information at all while others can tell what is available but cannot ship for two weeks. One Canadian publisher chose the first week of university classes last fall to close for inventory. When students came in with their book lists they had to be informed that one of the main texts for their course would not be arriving for two weeks, even though it was in stock at the suppliers and we had ordered it six weeks previously. Such publishers as these are saying that their own organization has greater priority over either students' requirements or the fact that they are in business to sell books.

Reports on Unfilled Orders

Our staff spends an inordinate amount of time checking and re-checking orders and reports and going through all the paper work involved in straightening out mistakes. Hard covers arrive instead of the paperbacks that were ordered; half as many or twice as many copies arrive as were ordered; back orders are missed when a book comes into stock at the supplier and have to be re-ordered again; we receive reports that books are out of print that are not yet published, or are reprinting when in fact they are available again and we have just received a shipment and want to order more. We are sent, and invoiced for, books that were not ordered; and we are told that certain books are not published by a particular company when in fact they are.

For reasons such as these university libraries spend millions of dollars with United States publishers and jobbers rather than deal directly with Canadian publishers. People in British Columbia and Nova Scotia especially are serviced better by wholesalers in the United States and Britain respectively and obtain their books more cheaply. A few Canadian publishers such as Macmillan of Canada are dependable agents for British and American books and they give accurate stock reports without the aid of a computer. Random House of Canada gives excellent delivery service, the same day or the following day, depending on the time the order is placed. If a few publishers can give such good service why cannot all the publishers? It would be easier to sell books in Canada if all agents were as good.

RETURNS

Because each publisher has its own returns policy we have to keep a complete record of all the particular conditions and requirements peculiar to each company. Some companies, including a text book firm, refuse returns completely, while others place a time limit varying from a few months to two years. Several publishers stipulate further that returns will be accepted only during certain specified months. The most liberal publishers accept almost any quantity of any title whether paper or cloth as long as permission is first requested and they are supplied with the invoice numbers of the purchases. Other publishers accept only new titles published within the previous year, no texts, no paperbacks, and no title that had to back ordered. One publisher refused our request to return a school text ordered in September on the grounds that we had not applied for permission by November. We estimate as carefully as we can the number of copies we are likely to sell, but it is not always possible to sell the number ordered. If we have to order copies of a book for a course from a publisher with a restricted returns policy, then we order as few copies as possible. It goes without saying that we also limit the ordering of trade titles from that company, knowing that we cannot return them. In a few cases, publishers make exceptions. It would be easier for booksellers to deal with one returns policy and we urge publishers to agree to a standard policy for the industry.

NO CANADIAN RIGHTS

Some titles are published in both British and American editions but only one publisher will have the rights for sale in Canada.

The system works when one of the editions can be imported but it occasionally happens that neither edition has rights. When W. H. Auden's newest book, A Certain World, was published in the fall and widely advertised in British and American papers and journals, the Faber edition could not be imported through Queenswood House, nor the Viking edition through Macmillan of Canada because both editions were denied rights. The two Canadian companies had to write their respective head offices in the United States and England to have the problem ironed out. Sometimes a work is published in only one edition and that sole edition will not have rights for sale here. Or again, a title is published in cloth in a British edition, and in paper in an American edition, but the local supplier can import only the British which might cost twice as much. Some editions with Canadian rights have gone out of print, yet the remaining edition will not thereby gain rights. Neither is the matter of Canadian rights consistent with all the works of a particular author. We can order, for example, Virginia Woolf's Common Reader One, a Harcourt Brace paperback, from Longmans, the Canadian supplier, but we cannot order the Second Common Reader published in paper by the same company.

It is up to Canadian publishers to see that at least one edition of a book has rights and they should be able to advertise, when a new book is announced, which edition they will be stocking. Too many publishers feel that their responsibility ends when they report that a book does not have rights and they do not give, or are unable to give, the name of the alternative publisher. The publishers should do the work of checking rights and let the book sellers know.

NEW BOOKS

Twice a year Canadian book sellers are inundated with a staggering number of new titles ranging from the latest mass-market best seller and movie tie-in to the scholarly reprint. It is an embarrassment of riches. It is also a mixed blessing. It would be helpful if catalogues were standardized under subject heading, title and author, and if they could state with some accuracy when the titles will be available. We are now re-ordering titles from the 1971 spring catalogues that we have had on order for a year because they were advertised in the 1970 spring catalogues. The publishers are quick to take orders for new books but are very slow to give information about dates. They should notify book sellers if a new title is not going to be available within a few months. It is unfortunately true that we do not receive half the new titles we order.

We are often informed by our customers who are specialists in their fields about new titles which have been published but have not been listed in current catalogues, because the publishers sometimes issue only partial lists.

The availability of new English books presents a problem to the Canadian bookseller. Collins, for example, publishes new books simultaneously in England and the United States, but Canadians have to order their Collins books from England, thus getting them two months later. English editions are usually advertised in the United States six weeks before they are available here. Mass market paperbacks published in New York can be bought from United States jobbers and sold in Toronto two weeks before the local Canadian agent receives

his stock.

The Canadian suppliers should be able to predict which will be their better selling books and have ample stock. It happens too often that we are unable to get new books that are well reviewed because the local supplier did not stock them in sufficient quantity.

Canadian Books

New books published by the small Canadian publishers are of particular concern to our store and to a growing number of Canadians. These houses that publish only works by Canadian authors do not have the financial resources to promote their new titles adequately. We would like to see the formation of some type of information agency, subsidized by the government, that would ensure national coverage through the press and other media of new books written by Canadians and published in Canada. It might also be the responsibility of such an agency to buy copies of new works to be distributed for review purposes rather than having reviewers depend on the availability of free copies being donated by the publishers, where such editions have been printed in limited number at great expense. We in Toronto are fortunate to be informed about what is available, but a number of Ontario teachers and librarians from small towns and rural areas coming into our store are unaware of the Canadian literature published by the small houses, as indeed must be most of the readers in the western provinces and the Maritimes. We also welcome the current publications of critical books on Canadian writers, a project that was long overdue.

We feel that more should be done to promote French Canadian publications in English-speaking Canada. A subsidized promotional department for the solely Canadian publishers should have a section devoted to French-Canadian literature. We need help in finding our way among the French-Canadian publishers and sorting out what is important on their lists.

MINIMUM ORDERS

The whole trend in the processing of orders is to discourage single copy orders and encourage bulk orders; mass-market paperback publishers especially are requiring a minimum number of titles and copies before they will accept an order. Some companies are imposing a service charge on orders under $10.00. It is an unnecessary hardship for the small book store that needs the discount yet cannot afford to order in quantity and cannot expect to sell more than two or three copies of a book. Often single copy orders represent the books which interest a minority and have no wide appeal. They are not usually obtainable anywhere else and libraries do not have them because they are not usually asked for. Someone has felt that they were important enough to be published and customers feel that they are important enough to be read. Suppliers should feel obliged to send them without penalizing the store ordering them. It is another example of publishers trying to make things easier for themselves at the expense of the book-buying public.

CHANGES IN PRICE

Whenever possible publishers should forewarn book sellers

when there is going to be a large increase in price. Some companies do this already; Random House of Canada and McGill University Press let book stores know that new prices were going into effect at a certain time and they listed which lines were going to be changed. Other publishers allow large rises in price with no explanation. It is impossible to tell a customer why a book that sold for $7.50 before Christmas sells for $11.50 in January. On our mail orders for which we request pre-payment, we quote current prices, only to discover occasionally that when a book comes into stock again it has gone up $4.00. Very few publishers make price adjustments when the value of currency is being changed. When the pound was devalued a few Canadian suppliers lowered their prices of English books, most did not, and now that the Canadian dollar is stronger, only one publisher to date has announced a 5 per cent decrease in price.

DIRECT SALES

In England book sales come under the jurisdiction of the Net Book Agreement, which was set up to protect the profits of the book sellers and to keep in existence as large a number as possible of local book shops. It states that books shall be sold only at net price, so that book sellers cannot undercut each other, and that publishers cannot sell direct to customers, whether ordinary retail customers or libraries. It includes a ban on all book clubs issuing titles within twelve months of the book's original publication and selling them at reduced prices.

In Canada there is no government regulation covering direct

sales nor does one standard policy prevail in the industry. Some publishers, by policy, do not sell directly to ordinary customers but refer them to book stores, while others sell to whomever comes to their door. This lack of standard policy does not increase the number of books sold but it does give rise to confusion, misunderstanding and ill will on the part of ordinary book buyers and retail book stores. In one instance, we attempted to order several copies of a book for a customer but were told that the title was out of stock four to six weeks. That same customer, on phoning the publisher himself, was told that there were sixty copies of the title in stock and that he could buy them direct because he wanted them in a hurry. In another instance we were notified that a leading government figure from an African country was coming to lecture and were asked to stock his books and have them available for interested customers. The Canadian agent, on being apprised of the situation, set up its own book display at the meeting and sold the copies that we had ordered directly to the public. Through book clubs new titles are offered for sale at reduced prices two years before they are advertised for general sale through publishers' catalogues.

This same diversity of practice is found in direct sales to teachers and libraries. In England sales to libraries are controlled by the Library Licence Scheme, a separate provision under the Publishers Standard Conditions of Sale. Book orders from public libraries qualify for a 10 per cent discount only and have to be placed with approved retail book stores or library specialist firms. [illegible] revised scheme approved in 1964, book sellers hold the licence but librarians usually nominate the book sellers with whom they wish to

deal; college librarians usually nominate a good local book shop; public libraries are encouraged to divide their orders equally between the local book store and the library supply house. Non-British books are excluded from the scheme and book sellers do not have to allow the 10 per cent discount but often do so for the sake of simpler invoicing. At the present time, however, English librarians are discussing setting up a central purchasing authority which could buy books from publishers at a 33-1/3 per cent discount and which would allow libraries to buy from publishers at the same trade discount the retail book stores get.

Among Canadian publishers there is no set policy about the rate of discount available to schools, libraries, book jobbers and retail book stores. Some publishers, by policy, will not undersell one particular group in favour of another, but other publishers will bargain over discounts and sell to school libraries books at 50 per cent off which are available to us at 40 per cent off. The purchase of books for libraries and educational institutions are paid for by the taxpayers' money and the fact that a book can be bought more cheaply directly from the publisher seems to be the most important consideration to school boards and library buyers. The placing, however, of numerous orders with individual companies and the work involved in following the orders through necessitates a qualified staff which is sometimes beyond the resource of the smaller institutions. Money that is saved on books is sometimes spent on staff to handle the orders. The customer who buys books at a retail book store subsidizes through taxation the purchase of books by educational institutions and he also has to pay the full retail price of books.

If Canadian publishers are in a tight position financially, they might consider giving a smaller discount to library orders instead of continually raising book prices.

We do not feel that Canadian publishers should curtail direct sales to educational institutions but we do feel that they should curtail sales to individuals, whether ordinary retail customers, students, or university professors. Some book stores carry more current titles than most libraries; under the present circumstances, teachers and professors can see what books are available in the stores and order them directly from the publisher. Frequently, we have teachers making lists from our shelves, or using lists we have prepared, and then ordering directly from the publishers.

THE FLORENCE AGREEMENT

This Agreement bans tariff and customs charges on the importation of educational, scientific, and cultural materials. Canada is one of the few countries that has not signed, and we urge the Canadian book industry to put more pressure on the government to do so. At the present time educational books enter the country duty free, but customs can impose its own decision on what is classified as educational. We have to pay brokerage fees of several thousand dollars to get books through customs.

RECOMMENDATIONS

We wish to remind Canadian companies that they are attempting to perform a service which can be handled in other ways. They are in business as agents to facilitate the procuring of books, not hinder it. It is unfortunate when a company that gives poor service on the lines it handles already takes on more agencies, but it happens continually. We realize that it is difficult to get qualified people who will persevere with the detailed and specialized work of processing books but it can be done. Publishers need knowledgeable people in their order departments; the expert staff at Macmillans, for example, performs an invaluable service to the company. Conversely, inept, unqualified staff working in a publisher's order department can give a poor impression of the company as a whole. Surely Canadian nationalism in the book industry does not have to mean both high prices and bad service.

We recommend:

1. That Canadian publishers co-operate together to set higher standards of performance and service and that they themselves enforce and regulate these standards.

2. That they adopt uniform policies, procedures, and discounts. There should be a standard returns policy and standard invoices.

3. That they take into consideration the requirement of the school and university year; that they try to anticipate and have available in the fall the books which are required on courses, and that they reprint titles and take inventory during the

slack seasons so that books are not out of circulation for a long period of time.

4. That they be more helpful to the small book store which relies on single copy ordering by giving that order the same attention as the large bulk order and by allowing the same discount on the small order as the large one.

5. That they re-consider the amount of discount they give when selling directly to schools and libraries.

6. That they curtail direct selling of single copies to individuals.

7. That whenever possible forewarning should be given of large increases in prices.

8. That the book industry continue to urge the government to sign the Florence Agreement.

9. That publishers meet the need of a growing market for works by Canadian authors in the areas of Canadian politics, economics, social sciences, history and literature. Canadian publishers should not attempt to duplicate already existing titles but should try to produce as economically as possible limited quantities of Canadian works in these subjects.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

QUILL & QUIRE

APRIL 13, 1971

R E S U M É

The attached brief to the Royal Commission on Book Publishing consists of the following:

1. Description of Quill & Quire.
2. Breakdown of services provided by Quill & Quire.
3. Requirements for expansion of service.
4. General comments regarding the book trade in Canada.
5. Exhibits to support the above.

In submitting the attached brief to the Royal Commission, we feel we must describe the functions of Quill & Quire as we see them, and as we carry them out.

We have described, too, some of the difficulties of obtaining revenue for this necessary service, and expressed our hopeful attitude towards its development.

On pages 10, 11 and 12, the publishers of Quill & Quire have listed some of the beliefs we hold concerning the Canadian book trade as it is at present, and as we feel it could be in the years to come.

This brief is submitted in the hope that by stating the case for Quill & Quire, we shall also be of assistance to the members of the Royal Commission on Book Publishing in their assessment of the industry and its future.

There is no doubt that the book industry must have a trade magazine. The geographical mass of Canada, the concentration of most English-language publishing activity in Toronto, the requirements of librarians in remote areas - these are only a few of the factors to be considered. A trade magazine that contains pertinent information is invaluable to booksellers, librarians and publishers alike. It was because of just such an urgent need that Quill & Quire, in its present form, was developed over two years ago.

For over 30 years, Quill & Quire had been issued in pocketbook format at a frequency of eight times a year (see Exhibit A). By 1968. it was obvious that neither its format nor its frequency was appropriate to the needs of the industry, and Seccombe House Ltd. met the challenge with a tabloid printed by Web Offset, with a 21 times a year frequency, thus allowing trade news to be accepted up to one day before publication. This concept was accepted by some 70 publishers' representatives at a presentation meeting in February, 1969. (See Exhibit B. - the first issue of new format).

Theme of the presentation was "immediacy" - and publishers were promised current news, frank editorial comment and bibliographical features. The intention was to aid publishers by supplying information to their bookseller, librarian and other customers.

The promises made have been kept - with a few exceptions. Where exceptions occurred, they were due to an overestimation of the support available - or proffered - by publishers themselves. For

example, with regard to bibliographic services, it has often proved difficult to persuade publishers to submit consistent up-to-date information for us to present free to their customers. We are glad to say this situation has improved considerably in 1971.

Services provided by Quill & Quire may be divided into five sections, as follows:

a) News

b) Comments

c) Bibliographic materials

d) Statistical information

e) In-house research

News

Under this heading each issue contains news of whatever is topical, Around the Trade, Book News Around the World, a Libraries column, a profile of someone of importance in the industry, a story about a bookstore that is operated in such a way as to present new methods and/or ideas to other bookstore managements, and other pertinent news items. The purpose has been to present the book trade with up-to-date news items from Canada and elsewhere, in as complete a form as possible. (See Exhibit C).

Comment

The policy of the paper has been to keep comment and news items

quite separate for the purpose of clear reporting. Under the "Comment" head are such features as an editorial in each issue, For Argument's Sake, Letters, and other discussion pieces.

These editorials etc., are occasionally picked up and used by the daily Press and C.P. wire services in situations where special comment is thought by them to merit general dissemination. Such was the case with the Special Editorial "Perspective on Ryerson". (See Exhibit D).

Bibliographical Services.

The principal bibliographical services are Canadian Previews, Canadian Books Just Published, and Current Best Sellers. In special issues (see description, page 10) bibliographical material is included on a one-time basis. (See Exhibit E). Similar information is contained in the Canadian Publishers' Directory described on page 5.

Statistical Information.

The purpose of presenting this statistical information is to convey necessary facts and comparative figures concerning the book trade in Canada and elsewhere. These figures and comparative analyses are not available to the Canadian book trade in any other comparable form. (See Exhibit F).

Sources: Dominion Bureau of Statistics, government surveys - i.e. the Ernst & Ernst Report; other trade magazines - Publishers' Weekly, (U.S.); Bookseller, (England); the Canadian Book Publishers' Council;

We welcomed the Federal Government's decision to approach fact gathering at a much more thorough and expensive level than ever before with their Ernst & Ernst study. When the resultant Report proved to be cumbersome and difficult to interpret, we used two issues to analyse and explain it thoroughly and carefully so that its full impact would bear upon the industry. (See Exhibits G and H).

At the time of the public uneasiness over the sale of Ryerson Press, Quill & Quire persuaded the Canadian Textbook Publishers' Institute to release hitherto unpublished trade statistics on school text-book sales in Canada, thus introducing a much-needed factual element into an unduly emotional situation. (See Exhibit D - "Texts 73% Canadian").

In-House Research

The position of the Canadian book industry in respect of knowledge of its own statistics, industry news and corporate trade practices and policies has been lamentable for many years. Quill & Quire quickly found it necessary to embark on a research program of studies in depth in order to find out the basic facts concerning the book trade, if for no better reason than for us to understand them ourselves. Publication of the resultant statistics and analysis proved to be eagerly received by all sectors of the industry and has done a certain amount to fill the void. Such research has been reported in Quill & Quire as follows:

January 23/70 - Library Acquisitions - A Survey. Part 2. (page 1).

February 6/70 - Library Acquisitions - A Summary. (page 1).

April 3/70 - We see ourselves as you do. (page 1).

Sept.11/70 - State of the Industry. (Page 1).

For the benefit of the recent Consultation 2 in Ottawa, our research department prepared a subjective study of the book industry in Canada as seen by booksellers and publishers. This helped to fill in the more obvious gaps in the Ernst & Ernst Report and brought the position as up-to-date as possible. (See Appendix I).

Canadian Publishers' Directory

As part of the service to the trade, Quill & Quire publishes twice yearly a comprehensive Canadian Publishers' Directory which is the only available list in this country of all Canadian publishers, agents and representatives (English and French) and the lines and imprints for which they have rights in Canada. This applies to English and French language publishers alike. There is also a section covering wholesalers.

This directory is updated continually. In addition to its being published twice yearly, information from it is continually being solicited by telephone and by mail from all segments of the book trade and from all parts of Canada.

This is an expensive project in upkeep, but it is considered to be an essential part of the service given by Quill & Quire to the book trade. Very little advertising is sold in this directory, and staffing - secretarial, editorial and production - is largely borne in the overhead of Quill & Quire, of which this publishers' directory is considered an integral part.

The Canadian Publishers' Directory was originally published as part of the contents of Quill & Quire. Later it became a broadsheet for handy reference inserted in Quill & Quire. A few years ago it was found essential to give it its present form. (See Exhibit J).

The present policy is that one subscription to Quill & Quire entitles the subscriber to as many additional copies of the Directory as he wishes for $1.00 each. (One copy is free with each subscription). This policy is under review at present, since it has been found that some purchasers - school boards in particular - are ordering up to 200 copies on one subscription to Quill & Quire.

Circulation:

Quill & Quire is circulated 15 times a year to 5,500 booksellers, librarians, publishers and others. A large proportion of the circulation is on subscription at $10.00 a year, and a drive is under way to have it entirely on subscription. (See also Revenue - page 8).

Reviewing Policy:

It was noted in the section concerning bibliographical services that Quill & Quire limits its coverage of actual books to listing Canadian Books Just Published and Canadian Previews. We have frequently examined

the desirability of carrying a first-class book review section but up to the present have invariably decided against it, for the following reasons:

We are a book trade journal and are concerned with giving useful and unique information to members of the book trade as defined in Circulation section above. This places the necessary stress on information as to forthcoming titles or on immediate availability of books for the benefit of the wholesale and retail bookselling, and library sectors of the industry. To occupy our space with reviewing books after publication seems unnecessary and redundant since (a) Canadian books are reviewed, albeit not very satisfactorily, in the popular periodicals, and are heavily promoted to our readers by the initiating publishers; and (b) non-Canadian books are far too numerous to be covered adequately. (The U.S.publishes between 25,000 and 30,000 new titles annually; Britain, just over 30,000 titles). In any case, this information is available in respect of foreign-originated books in the American Publishers' Weekly, the Library Journal, and the British Bookseller, as well as other reference sources.

Ideally, we would like to supplement our bibliographical services with occasional reviews of the more important Canadian books - that is, more important to the book trade as a whole - but until we obtain more substantial revenue (see next page) our priorities for space do not permit us this luxury. We are at present in touch with the Canada Council requesting assistance for a special supplement to Quill & Quire, to be entitled "Canadian Basic Books". Our object is to publish this list at least annually, preferably twice a year, as a special supplement to Quill & Quire. In it publishers will be offered the following opportunities.

(1) To list each of their publications, trade and educational, that have a live sale and are currently being used by the book selling, library and educational purchasers in Canada. We will allow a description of each title of up to 100 words, the descriptions being subject to editing by a supplemented Quill & Quire staff.

(2) The same facilities will be available under a separate heading for Canadian paperback publications.

(3) Forthcoming publications may be announced in two ways: if a book is close to publication, has a physical size allocated to it, probable list price and a probable publication date, it will be treated as in the Canadian Previews section of Quill & Quire; if these requirements are not yet available but the publisher wishes to announce a forthcoming publication in the longer term, this will be done in a separate sub-section so headed.

It is believed that the Canadian book industry is in great need of such a service and the Canada Council has indicated its support in principle of this project. It is hoped to have a firm decision very shortly and to have the first publication of this supplement in May or June of 1971.

Revenue

It will be no surprise to anyone to learn that the economics of the total Quill & Quire operation as described [illegible] By using Seccombe House facilities in respect to other journal publication and allied mailing operations, it is possible - with much effort - to produce a break-even situation, financially speaking. One has to qualify this statement slightly, in that we have been compelled to reduce the

frequency of publication from 21 times a year basic in 1969 and 1970, to 15 times a year in 1971. This is not because there has been insufficient editorial material in news or comment to fill the book. On the contrary, a publication of the present size could easily come out weekly if revenue were sufficient to support it, or, alternatively, a publication of twice the size could be produced from this material to everyone's advantage 26 times a year.

The facts are that our total revenue from subscriptions and from advertising space purchased by publishers, wholesalers and other component sectors of the Canadian book industry, is just not large enough to allow us to do what we otherwise could. We have been making some attempts to interest outside advertisers, e.g. American paperback publishers, university presses and certain other American and British publishers to use Quill & Quire as an advertising medium. This has met with some success, and probably represents the difference between a break-even and loss position, even with our present 15 times per year publication, but this is very hard to get and is not dependable. Also, to be blunt, we are not certain that the advertising obtained from such a source is necessarily to the advantage of the Canadian publishing industry, or of Ontario or Canada in these difficult days. Nevertheless we must pursue it with all vigor in order to stay alive.

The question of possible financial support from Federal, Provincial, or other sources such as the Canada Council, has not been seriously considered, since we have endeavored to create a private enterprise

independent journal aimed at filling an obvious and important need. If in the context of the total book publishing recommendation being made by the Ontario Royal Commission, suggestions emerge as to how worthwhile support could be given to the over-all Quill & Quire project as described, we will be happy to discuss this in detail as needed.

Technique of Editorial Themes

Our present editorial policy is to give each issue a specific theme in order to make it a focal point for special publishers and their requirements. (See Exhibit K.) Some of these themes are general - e.g. February 26/71 - Spring Books; September 17/71 - Fall Books. Some are by type of publication - e.g. February 5/71 - Religious Books; March 19/71 - Paperbacks; April 8/71 - University Books. Some are in connection with industry activities - e.g. June 18/71 - CBA; July 23/71 - CLA. While the editorial theme pervades the issue, normal requirements of news reporting, topical comment and bibliographical departments are independent of the theme.

We raise this point as it may be possible within this discipline to produce special issues of Quill & Quire for the purpose of promoting exports. As a contribution to the overall effort which the Ontario Royal Commission may decide to make, we could also produce special issues of Quill & Quire to cover suitable areas of Canadian business. Once again, we are ready to discuss this as required.

Some Notes on the Publishing Industry in Canada:

We do not consider it our function to present at this stage a brief on Quill & Quire's overview of the Canadian publishing industry. Nevertheless, as the foregoing may have shown, we believe we are in a particularly suitable central position to have such a viewpoint, and we

are prepared if necessary to submit such a brief at a later stage in the Royal Commission's work. For the meantime, we would like to state our considered position that, although much obviously requires to be done to assist book publishing in Canada, we believe this can be best achieved by evolutionary rather than revolutionary methods.

We believe that the complexities of the book trade are such that no ready general panacea is likely to be available, and that the only probably profitable examination can be by a separate approach to the various markets - trade books, educational books, university and school books, technical and professional books, paperback - mass market and quality,etc.

We believe that the area of copyright requires very careful examination, and that the aim must be to create a true Canadian rights situation which has the identity and strength of legal protection - not by trade contracts solely.

We believe that legitimate pressure must be brought to bear upon the custodians of public funds in library purchasing for that money to be spent through Canadian sources whenever possible - though not to the obvious disadvantage and detriment of the Canadian reader, borrower or taxpayer.

We believe that the "agency system" of handling imported books may have outlived its usefulness in its present form and that immediate attention should be given to reconstructional suggestions in this area.

We believe that some form of combined, highly professional and successfully automated warehousing and billing operation should be established, to accommodate many participating publishers in the service function.

We believe that close relationship between the provincial departments of education, the publishers, and the audio-visual and related manufacturers, are immediately necessary to protect the Canadian contents of Courses of Study against the all-purpose multi media kits now coming in from the United States.

We believe that in the last two decades an increasingly competent professional cadre of trained publishers, editors and writers has been created in Canada and that this is continually growing, both in numbers and quality. We believe this publishing professionalism is of great importance to this country, irrespective of the nationality of ownership of the employing publishing house.

We believe that the recent Consultation 2 with the Federal government and members of the book industry is potentially valuable, especially as it concerns the proposal for a Canadian Publishing Development Board, and we look forward to receiving intimation from the Royal Commission as to how it views this or other similar methods of approach.

We would conclude this brief by stating that Quill & Quire regards itself as an essential, involved portion of the Canadian publishing industry and from this viewpoint, we are very pleased to offer our services to the Ontario Royal Commission in any way in which we may produce constructive and creative solutions for publishing in Canada.

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6

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

UNIVERSITY OF WESTERN ONTARIO

DEPARTMENT OF HISTORY

APRIL 13, 1971

BRIEF TO THE ROYAL COMMISSION ON BOOK PUBLISHING

FROM: PROFESSOR F.H. ARMSTRONG
DEPARTMENT OF HISTORY

PROFESSOR W.B. HAMILTON
DEPARTMENT OF HISTORY OF EDUCATION

PROFESSOR H.A. STEVENSON
DEPARTMENT OF HISTORY OF EDUCATION

UNIVERSITY OF WESTERN ONTARIO

LONDON, ONTARIO

INTRODUCTION:

In a preface to his Geography and History of British North America written in 1857 J.G. Hodgins gave some reasons for the appearance of that work. Hodgins explained that pupils in the public and private schools of Upper Canada had previously been

> ... left to glean a scanty knowledge of their own and sister provinces through the often uncertain and inaccurate medium of a European geography; or to adopt the foreigner's unfriendly interpretations of our colonial institutions and laws. This unwise and anomalous state of things has become the more serious, since, under the system of self government ... commercial intercourse has become frequent between them and a political and social bond of sympathy has been created, which renders absolutely necessary a fuller acquaintance with the mutual history, conditions and capabilities of each.[1]

Earlier, Rev. Alexander Macdonell, spokesman for the Scottish Catholic settlers of Glengarry County had castigated "these foreigners" [Americans] and their "republican books". These, he charged, "were artfully tinctured with the principles of their government and constitution and [held] up their own worthies as perfect patterns of every moral excellence, whilst our public and private characters are represented in the most odious and disgusting light".[2] In 1838 the Report of a Commission on Education also commented on the influx of American textbooks in Upper Canada: "Great care should be taken in the selection of textbooks. Your committee regrets to find that the editions published in the United States are much used throughout the province.

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[1] Hodgins, J.G. Geography and History of British North America (Toronto, 1858), Preface.

[2] Quoted in: J.D. Purdy "John Strachan and Education in Canada" (Unpublished Ph.D. thesis, University of Toronto, 1962), 146.

tinctured, as they are with principles... [which] cannot be inculcated here without evil results".[3]

These comments place the problems of the book publishing industry in historical perspective. Modern counterparts of these earlier writers may be more muted in tone; yet the sentiment remains the same. Canadians always have been and probably always will be concerned with the influx of "pernicious American ideas" through the medium of books. The problem of 1971 is to assess the situation and to suggest remedies which, rather than encourage narrow nationalism, preserve a reasonable balance between Canadian and foreign content. In the recommendations which follow we are basically addressing ourselves to the problems of one segment of book publishing; namely, the production of textbooks for use in the educational institutions of this province. We are convinced that herein lies an important part of the solution to the overall problem. If it is true that the textbook field accounts for 64.2% of the entire market for books in Canada,[4] then we feel our emphasis is well placed. Finally, all of us have been active in the writing of textbooks for both the secondary and post secondary levels of education and we feel that our experiences with a variety of publishers may throw some light on what is admittedly a complex problem.

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[3] "Report of a Commission on Education in Upper Canada, 1839" in Hodgins, J.G. A Documentary History of Education in Upper Canada III (Toronto, 1894), 250.

[4] Time Magazine, March 1, 1971.

RECOMMENDATIONS:

1. The solution to the ills of the book publishing industry in Ontario will not be found in a series of short-cut measures. Consequently, the government should neither be encouraged to make financial grants to the industry, nor should it enter the field directly through a Crown corporation. (In like manner, we feel the Canadian book publishing corporation currently under consideration by the federal government, if implemented, would be a step in the wrong direction.) The provision of risk capital through low interest government loans would accomplish much more; this is an area where the Ontario Development Corporation might well play a useful role.

2. We recommend that the Government of Ontario establish an Independent Preview Committee to stimulate Canadian authors to enter the textbook field by examining manuscripts, or outlines of proposed books and by suggesting revisions designed to improve the prospect of publication. Under this system previously unpublished authors, with the imprimatur of the Committee on their proposed work, could approach publishers with more confidence. Such a committee might also preview contract offers to assist young authors in preparing an agreement with a publisher.

3. We would urge that the textbook publishers adopt a standard contract form incorporating the following points:

   (a) Royalties should be graduated upwards according to the number of copies sold, without regard to the subtle distinctions which can be made between second printings, second editions, and revised second editions.

(b) Trade and educational discounts should be precisely specified in contracts. If they are exceeded by the publisher the author should not suffer financial loss.

(c) The competition clause should always be made binding on both the author(s) and the publisher.

(d) The "Right of First Refusal" clauses in contracts should be prohibited by law.

(e) Canadian authors should not receive reduced royalties on foreign sales.

4. Department of Education Grants-in-aid of book purchases should be subject to the following stipulations:

(a) Increases should be allowed when a stated percentage of books and reference books are by Canadian authors.

(b) Support should be given for the purchase of paperback books by Canadians.

(c) Grants should be administered in such a way that school authorities are not allowed to reallocate funds which have been designated for the purchase of Canadian books.

5. The following steps should be taken (in cooperation with the federal government) in order to increase Canadian control of the publishing industry:

(a) Firms publishing books in Canada should have 51% of their voting stock held by Canadian owners.

(b) Firms which import books to Canada should operate through a Canadian agent, or a Canadian based office employing Canadian staff.

(c) For firms currently operating in the country a reasonable period, say five years, should be allowed for implementation of the above changes.

6. Since basic research is fundamental to the preparation of good textbooks and teaching resources used in Canadian schools we recommend that a fund be set aside by the government of Ontario to subsidize and thereby encourage its publication. With the object in mind of encouraging the spread of new knowledge to potential authors and scholars without delays sometimes caused by the difficulty of publishing the results of recent research an inexpensive format should be employed. Further, we suggest that this type of subsidized publishing be done only by Canadian publishers and in particular by Canadian university presses. It may be desirable to consider publication employing a common format in an on-going series with which all concerned might easily become familar and thereby keep up to date with the results of new research.

7

BRIEFS

to the

Ontario ROYAL COMMISSION ON BOOK PUBLISHING

APRIL 14, 1971

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

MR. MAX BRAITHWAITE

APRIL 14, 1971

March 15, 1971

A brief to the Ontario Royal Commission on book Publishing.

FROM: Max Braithwaite, Toronto, Free-lance writer.

Resume of Work:

Thirteen publis hed books.

Two books to be published in 1971.

One book accepted by publisher and not yet scheduled.

One book in the works.

Comments:

The Book Society of Canada, a wholly Canadian owned and operated company, has published three textbooks and is bringing out another this year. These books are currently being used in Ontario schools as well as in those of other provinces. My relations with this company have been entirely satisfactory. I feel they are an important textbook company who know the market and do a good job of selling books to schools.

McClelland and Stewart Ltd. have published three juveniles and three adult books and are bringing out another this fall. I feel that my book Why Shoot The Teacher illustrates the importance of Canadian publishers. The book was well received by Canadian reviewers and the public alike, but never succeeded in attracting an American or English publisher. This, I feel, is because it deals with a locale, a time and a condition that nobody but a Canadian can fully appreciate.

The Ryerson Press published two juveniles in their series Canadian Careers Library.

Dodd, Mead, an American company, published "Canada, Wonderland of Surprises" which is distributed in Canada through McClelland and Stewart. I found them easy to work with and they suggested no alterations in the text except that, at first, they didn't believe Canada is the second largest country in the world.

Macmillan of Canada are publishing a series of books about the Canadian provinces and I'm currently working on the one about Ontario.

General. As a writer who has worked in all media, I feel strongly that the books are the most important of all in developing a distinctive Canadian culture. Only in books is the author free to express his own opinions and feelings without interference from advertisers, directors, producers, or indeed from the government. Canadian culture, identity, and indeed survival depends upon a strong, independent publishing business.
I would favor low interest government loans to publishing companies to permit them to expand their operations. I feel, however, that providing direct subsidies for the publishing of Canadian books would likely result in a lot of bad books being published which in the long run would do more harm than good to writers, publishers, and the development of Canadian culture. I would also strongly oppose the idea of any kinds of restrictions being placed on books from other countries entering Canada.

Addition to Brief by Max Braithwaite

Since the publication of Canadian books, both trade books and textbooks, depends entirely on Canadian writers, it is necessary that writers be able to make a living at their trade. It is possible to do that now, but certain conditions must be rectified if our most talented people are to be encouraged to take up full-time writing as a profession. Some of the things that are hurting writers today are:

1) the tape recorder and the video tape machine. Schools and other institutions can now tape radio and television shows and replay them as often as they wish without paying anything to the writer. Before this practice began, I earned a certain amount of money through the re-broadcasting of educational programs. This has been completely cut off.

2) Xeroxing material from textbooks. Schools find it cheaper to copy pages, chapters, or even entire texts than it would be to buy the book. Since the writer's only income is the royalties he receives from the sale of books, he loses through this practice.

3) The fact that with few exceptions the works of Canadian authors are not on the high-school reading courses. This is not only bad for the development of Canadian culture, but it is bad for the writers as well.

4) The lack of prizes and awards for good books with small sales. Many important and well written books have a relatively small sale with the result that writers can't afford to write them. Often these books will prove to be the most important in the long run, and will be read for many years to come. Such a book is Yellow Briar whose author, John Mitchell, died in poverty.

A special prize for books that sell fewer than 5,000 copies would be appropriate.

I feel that the Canada Council, which now gives awards to writers who say they are going to write good books, should give awards to writers who have written good books. A reward for work accomplished is, I feel, more useful than an inducement for work to come. In some cases, I suspect, writers who get Canada Council grants never have the book published.

In general, I feel that there should be more protection and encouragement of writers who have proved their worth rather than grants for would-be writers who may be able to write good applications but have never demonstrated that they can write good books.

8

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

MR. RICHARD STEACY

APRIL 14, 1971

Suggestions for the improvement of publishing in Canada, respectfully submitted to:

ONTARIO ROYAL COMMISSION ON BOOK PUBLISHING

containing TWO recommendations

by: Richard H. Steacy
292 Lakeshore Rd. E.
Oakville, Ontario

12 February 1971

In December, 1968, the first edition of my now popular book, CANADIAN REAL ESTATE: HOW TO MAKE IT PAY, was published.

The author's contract with the publisher stated that royalties would be paid at the end of December and the end of June in each year.

The first royalty payment date arrived and passed, with no payment to the author.

The second royalty payment date arrived, with partial payment to the author.

The third royalty payment date arrived and passed, with no payment to the author.

At this point, the author concluded that the publisher was not going to honour the contract, and the author cancelled the contract --- the legal fees amounting to more than $1,000.00

During the past 12 months, the author has received a total of Seven Dollars and NinetyCents ($7.90) in royalties from the publisher.

The publisher has sold approximately EIGHT THOUSAND (8,000) copies of the book (case-bound).

The publisher owes the author approximately $4,000.00

This brings me to my first recommendation:

<u>ALL ROYALTY PAYMENTS SHOULD BE PLACED IN A TRUST ACCOUNT AND PAYMENT MADE ONLY FROM THE TRUST ACCOUNT</u>

This recommendation is a sound one, when the following is considered:

When the contract with the first publisher was cancelled, no publisher would assume the work unless it were updated, enlarged

and possibly improved.

Now, what was the author to do?

More than one year spent in research and writing.

One year spent on the manuscript and bringing it to a point of publication.

A book that was widely acclaimed by the press and public, a best seller. Was it to die because of lack of funds?

The novelty of being an author had worn thin, but despite this the author sincerely felt that there was a genuine need for the book in Canada, and agreed to improve it for a second edition for a second publisher.

More months spent researching and writing, to the second, and current, edition.

The Canada Council refused financial assistance because grants are "only given for research in the humanities and social sciences".

Consider the following record of public service by the author:

1. Author of Canada's most popular and widely acclaimed book on the subject of real estate. There has never been an adverse review on my book.

2. Author of more than FORTY published articles on real estate, which have appeared in many Canadian daily, weekly and other papers and magazines from coast to coast.

3. Have appeared for a total of no less than 9½ HOURS on television, answering questions on the subject for the benefit of Canadians, plus many hours on radio.

4. Have lectured frequently on the subject to professional

and non-professional groups.

This work certainly DOES fall within the humanities and social sciences in Canada.

Which brings me to my second recommendation:

APPROACH THE CANADA COUNCIL WITH A VIEW TO MAKING GRANTS MORE READILY AVAILABLE TO ESTABLISHED CANADIAN AUTHORS OF BOOKS THAT HELP CANADIANS

This recommendation is a sound one, when the following is considered:

Each year, in Canada, hundreds of thousands of Canadians are involved in buying, leasing, selling, and mortgaging real estate.

Who is to guide them? What books, CANADIAN books, are available for them?

The author could not financially afford to go into this second edition, but he did despite the lack of funds available to help Canadian authors.

Because of this, I strongly feel that much good work is NOT being published in Canada.

I respectfully ask you to read my book, and then decide if I have made a sensible submission to you.

Respectfully yours,

Richard H. Steacy

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

THE ALBERT BRITNELL BOOK SHOP

APRIL 14, 1971

BRIEF TO: Royal Commission on Book Publishing
Suite S-750
252 Bloor Street West
Toronto 181, Ontario.

FROM: The Albert Britnell Book Shop Limited
765 Yonge Street
Toronto 5, Ontario.

Gentlemen:

Three generations of Britnells have sold books, retail, on Yonge Street in Toronto and by mail to out-of-town customers for approximately seventy-five years. Acting on the kind invitation of your Commission, we make this submission.

a) Each year, it would seem more worthwhile Canadian books are issued and the publishing industry is very well regarded. Considering the difficulties of publishing and distributing books in Canada, which has a small population spread over a vast area, and where many languages are in daily use, the publishing industry has made good and steady progress.

b) Without doubt, Canadian, English, American, French and books from other countries contribute much to the cultural life and education of the people of Canada.

c) English and American owned publishing firms in Canada have published a great many fine Canadian books. There is no reason to believe this publishing will not be continued. Likely it will be enlarged, contributing to the benefit of Canadian authors, readers and the culture of the people of Canada.

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Recently great space in the press and magazines and time on the air have been devoted to the Canadian publishing industry. In view of some things that have been said, we feel compelled to make some further observations. We hope representative book users and buyers will make submissions to your Commission but, should this not occur, who are better suited to speak for patrons of books than booksellers?

We are not involved in the publication or sale of school or university text books which would appear to be of paramount interest. We should say that we feel the very best books obtainable should be available to students no matter the country of birth of the author or the country of publication of the book, always providing historical facts are correct and unbiased, and cultural, social, nationalistic, etc. teachings are not unacceptable or would not be harmful to Canadians.

However, in recent years, there has been a development in the distribution of university texts, the great waste and cost of which could contribute to the lessening of publishers' profits and might very well mean much higher prices for text books and trade books as well, when publishers are engaged in the selling of both. Most publishers supply university text books on a fully returnable basis. Returns of these books to publishers have reached amazingly astronomical proportions.

Canada is a young country with young writers and has quite a long road to maturity. For a great many years, we were pressed to find Canadian books which we could promote with enthusiasm. In recent times

no problem of this nature has existed. So many fine Canadian books are being published that our promotions, overwhelmingly, are for Canadian books and Canadian works are very widely represented in our most extensive stock.

Publishers and retailers of books in Canada are engaged in this business for the reason they like it. They have accepted the fact that their monetary reward will not compare with those engaged at the same level with like responsibilities in other businesses. They are required to have good business judgment, a keen sense of awareness, apply themselves most diligently and their mistakes must be minimal. If these qualities are not present and practised, a publisher or a bookseller will not be successful and has a good chance of becoming insolvent. Any king of forgivable, uneconomic or paternal injection of money into their businesses might well produce lethargy, carelessness or recklessness that would compound situations.

Governments have not alwasy found sure, safe and satisfactory ways of assisting an industry with the taxpayers' money. The book business might prove to be an exception and an experiment can be justified. Departments of Provincial Governments should be willing to assist Canadian authors and publishers develop text books, specifically, not generally. Departments surely should be able to decide if they will adopt a book from a complete mock-up and not demand a completed book. Universities should be able to streamline their book requirements. Authors and

publishers have received aid from The Canada Council. A new body might take over the work that The Canada Council does for Canadian authors and books with an increased directorate and a very much larger budget. Specific aid and not general aid should be the aim.

Loans for special projects and specific books would be useful but should be made only after a full examination of the project or book and of the operations of the applicant for a period dating back at least five or ten years. New publishers would be subject to other criteria.

It should not be overlooked that, for many years, some for a very long time, English and American owned publishing firms in Canada have printed and published in Canada a great many fine books by Canadian authors and continue to do so. In the future, Canadian authors and culture might gain much from publishing by these firms.

Any suggestions of limiting the sale of other than Canadian books by penalties such as allotments, percentages, duties, taxes, etc. are unworthy and must be strongly resisted. Books, no matter what their origin must be available to Canadians at the lowest possible price. Possibly an opinion could be formed that the user and student who does not attend university and wishes to augment his education and knowledge by reading books in the English language is discriminated against by the duty to which many imported books printed in the English language are subjected and the resultant higher price. Books in the English language imported from any country, should enter Canada duty free as do books

printed in the French and all other languages. Books should not be subject to duty or tax of any nature and we should uphold the unrestricted dissemination of knowledge and the freedom of choice of reading as a democratic heritage of the Canadian people.

Yours, with respect

The Albert Britnell Book Shop Limited

Roy Britnell

Roy Britnell
Vice-President.

RB:b

Toronto, Ontario

March 23, 1971.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

ALGONQUIN REGIONAL LIBRARY SYSTEM

APRIL 14, 1971

The Royal Commission on Book Publishing.

Brief

Submitted by R. A. Smith,
1, Bayview Road,
Parry Sound, Ont.

Being a brief presented personally but with direct reference to the operation of the Algonquin Regional Library System and its relationship to the Canadian Publishing industry.

March 1971.

BRIEF: THE ROYAL COMMISSION ON BOOK PUBLISHING

PREAMBLE

Public Libraries in Ontario, as across Canada, provide an educational, recreational, and informational service to the public at large, which is unique in that this service is not arbitrarily restricted to any one sector of the population by reason of age, educational ability, or fianacial standing.

The selection of adequate library materials to meet the needs of increasing public demand occasioned by the information explosion, must now include films, records, and their more sophisticated variants, in addition to basic printed materials such as books, periodicals, and magazines.

The information explosion, and the needs arising from it, have increased the burden imposed on public library service, and the satisfaction of the demand is inextricably related to Canada's position as a country subjected to three major cultural influences-the English, the French and the American.

Canadian content of library materials is as important to the development of the Canadian cultural identity as is the Canadian content of the magazine industry, radio and TV broadcasting, et al, about which much has been written and argued, and for which some form of control and legislation is in effect.

The Librarian, as selector of library materials for a wide range of people; for one public library; or for a system of public libraries as in Ontario's Regional Library systems, continually faces the dilemma of ordering materials to meet the informational needs of the library patron, or the ordering of

materials to meet Canadian informational needs of the same patron.

In the past, and with certain obvious exceptions, Canadian publishers have excused their own paucity of Canadian output, their lack of regionally-oriented materials, by arguing that there is not a sufficient market to make Canadian publishing a profitable venture.

A cursory look at statistics reveals that in Ontario alone there is a potential market, a purchasing force, of 500 public libraries, and nearly 5,000 schools, and these figures multiply across Canada to 1,200 public libraries and an estimated 15,000 schools. In 1969 for instance, Ontarios 500 public libraries added 840,873 volumes to their book stocks. At an average cost of only $5.00 per volume this represents over $4 million. To these possible purchasing sources may be added universities, community colleges, and while it is realized that not all will purchase all Canadian materials ad infinitum, there does seem to be a sufficiently large market to make the publication of Canadian materials a break-even proposition, if not a profitable one.

The data and statistics which follow have been acquired and noted in the course of the routine operations of one Ontario Regional Library system during an eight year period. The facts contained should have relevance and application to book purchasing routines followed by thirteen other Regional Libraries, and those methods of book acquisition followed by the Regional Library systems and individual libraries which form the base

of public library service within this Province.

ALGONQUIN REGIONAL LIBRARY SYSTEM

One of fourteen regional library systems in the Province of Ontario. Established in 1962 under the Public Libraries Act, and its relevant sections, to improve and expand library service to the three territorial districts of Muskoka, Nipissing, and Parry Sound, and the 25 public and community libraries now included in its area of 13,481 sq. miles. The population of 112,000 is estimated to be 90% English speaking, and 10% French speaking, with a certain proportion fluent in both languages.

According to the 'yellow' pages of appropriate directories there are only six booksellers within the same regional area, consequently public library service remains the prime provider of informational and recreational materials of a comprehensive nature.

BOOK STOCK

The Algonquin Regional Library system, at the end of 1970, has a book stock of 52,500 volumes. Of this total:

46,600 are in English, 5,900 are in French.

27,194 are adult books, 25,304 are childrens books.

28,572 are non-fiction books, 23,916 are fiction.

Development of service and book purchases have been subject to the needs of member libraries. The purchase of certain 'expensive' art books was dictated by the inability of member libraries to afford the titles in question; development of service to Francophone areas and communities is comparatively

recent and is expected to continue; service to schools - reflected in the stock of childrens books - was of major importance during the formative years of the regional service and there was initially heavy buying in this area. However, this school service is diminishing in quantity, and books are therefore freed for public library use.

Of the 52,500 volumes some 25,000 are distributed to 15 member libraries on permanent loan as part of Regional stock both to build resources and to provide current materials. 7,125 volumes including adult, childrens, and reference books were distributed in 1970, and this programme will be continued in both major languages in 1971. Another factor involved in the distribution of Regional book stock is the attempt to increase total book stock to be equal to two volumes per capita of the population.

BOOK PURCHASING

Within the framework of this Regional Library system, and that of its component public and community libraries, annual purchases of books are estimated as follows:

A.	By the Algonquin Regional Library system as purchaser for the continuance of service to member libraries, 5 of which are bi-lingual in book stock and readers	7,500
B.	By the North Bay Public Library as purchaser, independent of the Regional system, but purchasing an indeterminate number of titles in its capacity as Regional Resource Library	6,000
C.	Member libraries, making their own purchases separate to, or in addition to Regional Library purchasing	500
		14,000

A. The Algonquin Regional Library System

Purchases from reviews, travellers samples, member library needs and requests: 75% English materials, 25% French materials. All orders recognize the value of Canadian materials.

English orders are placed primarily in Canada through Co-operative Book Centre for the economies offered in accounting and for the processing services offered.

Exceptions: i) Cheap replacement of ephemeral materials from one source in the U.K., and one source in U. S.

ii) Large print editions from one source in the U.K.

French orders are placed primarily with French principals and jobbers in the Montreal area.

Exceptions: i) Some orders through French language jobbers in Toronto and Ottawa.

ii) One French language order through a Paris jobber in 1970.

B. North Bay Public Library

Purchases from reviews, traveller's samples, patron requests and for Resource Library materials, from the individual publishing company.

C. Member libraries

Purchase from reviews, patron requests, and to meet deficiencies, from individual publishing companies.

The Regional Library System is largely free of the pressures imposed in larger urban centres by the demand for

best seller materials, and some member libraries, by agreement, are allowed their own book budget for this purpose.

Review materials include Library Journal, Book Review Digest, Saturday Review, Ontario Library Review, British Book News, ALA Booklist, etc.

None of these is completely satisfactory because of the emphasis on national publishing. An obvious need is for a CANADIAN BOOK REVIEW similar to the New York Times Book Review, or the Times Literary Supplement. Existing Canadian periodical reviews are usually ill-timed for library purposes.

BOOK BUDGET

In 1970 the Algonquin Regional Library System purchased 8,015 titles for a cost of approximately $43,000.00. In 1971 the book budget will be $42,000.00 including the cost of periodical subscriptions.

In both years the book budget represents one third of the total expenditures.

$37,640.00 was spent of 6,088 English language titles, at an average cost of $6.10 per volume.

$5,360.00 was spent on 1,917 French language titles, at an average cost of $2.78 per volume.

French language titles initially cost less than the English but re-binding of the unbound (paperback) books brings costs more closely together.

Certain Canadian agencies, because of conversion rates from

English to Canadian prices, or because of cheaper initial costs resulting from continental European publishing agreements, tend to receive a larger proportion of placed orders. As examples: Collins fiction prices are consistently lower than those of other companies, and Thomas Allen benefits from the cheaper prices of the Paul Hamlyn group.

LIBRARY - PUBLISHER RELATIONS

As most book purchasing and processing has been made through the facilities of the Co-operative Book Centre, and because there is no over-riding demand upon the Regional system for new books and best sellers, the time lag between book order and book receipt tends to be irksome rather than detrimental to service. If the Co-operative Book Centre, under its new management, were to institute the warehousing of books in addition to its central purchasing and processing facilities, then service would be even more rapid and efficient.

Books are ordered in the manner previously outlined, and those orders made from travellers samples and representatives, are forwarded to the Co-operative Book Centre. Mass orders made in the Spring and Fall are, naturally, augmented by received requests, by the survey of needs of understocked member libraries, the needs of newly opened library facilities, and from reviewed materials.

When recourse is made to the individual publisher, as it was during the fall of 1970 due to Co-op's period of uncertainty,

then an apparent need for revision of routines as they apply to public libraries becomes obvious. Although the revision has no direct bearing on Canadian publishing as an industry, such revisions, if implemented, could have a bearing on the purchasing of books in Canada. The 'buying around', of which certain libraries are accused, could be obviated if Canadian agents paid closer attention to the mechanics of book supply.

1. By the standardization of order forms to meet library requirements, and their free supply by publishers.

2. By a revision of invoicing, methods of payment, credits, and returns.

3. By co-operation in standard reporting codes for out of print, back ordered, and not yet published materials, and in the location of No Canadian Rights materials.

4. As the Public Library Service is not profit making, and subject to budgetary restrictions, consideration should be given to the free transportation of books from publisher to library. This might be economically attained by the revision of order dispatching so that orders might accumulate at the publishers end to either a fixed number of books, or a fixed value of shipment. This would relieve the library of endless one book consignments and the resultant wastage involved in postal charges and in accounting procedures.

PUBLISHING PROGRAMMES

As bluntly stated in the preamble to this Brief, Canada is exposed to three main cultural influences: the English, the French and the American. The Canadian cultural influence is as yet barely identifiable in the programmes and output of Canadian publishers, either because of the lack of support or because of the lack of uniquely Canadian materials.

Material is often available from the English source for many areas where information is required. Apart from the physical short-comings in the format of such books, terminology in scientific subjects is found to be incomprehensible to Canadian readers.

Material is also available from the U.S. source in a wide range of subjects, both for the United States and for North America. North American material still carries emphasis on American interpretation and American example. In some examples of this North American material - which Canadian librarians purchase for want of Canadian equivalents - it has been noted that the Great Lakes have only one shoreline - the American, that garden flowers only grow south of Lake Ontario, and that American Indians seem to have inhabited a continent with a no-mans-land boundary at the 49th parallel. Examples are also apparent in other subject fields including American history and geography.

The Public library service requires from Canadian publishers a continuing programme of Canadian publication that is not exclusively reserved for monographs on the Conscription Crisis of 1944, but which meets library needs for Canadian materials reflecting the identifiable CANADIAN components (in library jargon) of the Ten Main Classes of the Dewey Decimal Classification scheme. Such a publishing programme should not be restricted to celebratory series which appeared in large numbers for Expo 67, but should definitely be more concerned

with the needs for Canadian materials with which librarians are confronted in their continuous involvement with book purchases, library stocks, and library patrons. If such a publishing programme of Canadian content were to be instituted then potential sales could approach the magical number of 5,000 copies which seems to represent Canadian 'best sellerdom'.

RECOMMENDATIONS

1. That the Canadian publishing industry recognize more practically the potential of the public library service as a continuing market for Canadian materials, both in volume of output, and in dollar sales.
2. That publishing programmes of Canadian content be undertaken to meet the expressed demands of public library service and schools.
3. That a Canadian periodical review of original Canadian literary and informational materials be established, similar in content and format to the Times Literary Supplement, or to the New York Times Book Review.
4. That Canadian publishers standardize:
   a) Price conversions.
   b) Order and reporting codes, and pertinent forms.
   c) Invoicing procedures, and pertinent forms.
   d) Book dispatch procedures.
5. That Canadian publishers consider:
   a) The co-operative establishment of book stores in remoter areas of the province for direct sales to the public.
   b) The establishment of joint warehouse facilities, decentralized from the Toronto area, to provide direct access to book stocks for the public library service, and all others interested in book purchases.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

PETER MARTIN & ASSOCIATES PUBLISHERS

APRIL 14, 1971

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PETER MARTIN ASSOCIATES LIMITED
17 INKERMAN STREET, TORONTO 5, ONTARIO 925-5589

Submission

to the

Royal Commission on Book Publishing

from

Peter Martin Associates Limited

INTRODUCTION

For the most part, this submission is concerned with the critical problems faced by Canadian book publishers which are external in origin.

But one of the Canadian publishers' major problems is internal.

Publishers are an independent lot by nature, secretive in their operations, diffident in their justifications.

The act of publishing, it seems to me, is the act of "making public".

But book publishers in Canada seem pathologically reluctant to "make public" the business and financial aspects of their operations.

There is no compulsion, legal or otherwise, for them to do so. Virtually all the Canadian-owned firms are closely controlled private corporations. And, through an absurdity of Canadian law, the branch-plant subsidiaries of large, publicly-held foreign corporations are also considered "private" corporations in Canada. But equally there is no law that prevents book publishers from making financial data available to outsiders. It is simply that they choose not to do so.

And this is a great pity.

There is a genuine crisis in Canadian book publishing. It appears that draconian measures will be necessary if the industry is to survive at all. But the crisis didn't spring into existence with the sale of Gage and Ryerson to foreign interests. It has been building for several years. If the Canadian publishers had been less secretive, if they had been willing to share their experiences, if they had been less prone to telling optimistic lies to each other, the malaise would have been identified sooner and more moderate therapy would have restored the patient to health. But they kept their secrets, nursed their headaches, and only decided, reluctantly, to admit they were sick when the disease was so far advanced that the prognosis was touch-and-go at best.

A few months ago, in a casual group of independent publishers, I said, "Last year we brought out eight new titles and lost $25,000 on total sales of just under $80,000. How are the rest of you doing?" The others present seemed embarrassed by my vulgar lapse of taste. Since man is a social animal seeking the approval of his peers, their reaction to my gaffe made me feel even more embarrassed than they were. (I have since learned that at least one of the people present didn't know how he was doing; his firm had never bothered with other than the most primitive bookkeeping. Perhaps that was why he was embarrassed. We all live with our private horrors.)

I felt like a dirty old exhibitionist. We went on to talk of other things, in unquantified generalities. But I remain convinced that a willingness to talk about financial problems in very specific terms could have helped--and still may help--Canadian publishing houses to understand their problems.

That is why the next brief section of this submission is a case history of our own firm, and why the Appendices provide in some detail the hard data that is only sketched in the next section. I hope some people in the industry will find the information useful (I doubt if they will find it encouraging.)

Because I don't believe that book publishers compete through their balance sheets. The financial statements are only the way we keep score. But the points are scored, the victories won, on the strength of unquantifiable qualities. Book publishing is a fiercely competitive endeavour, but the competition is in the realm of ideas. Imagination, ingenuity, hard work, and luck (perhaps in that order) determine success or failure for a publisher. The rest, important as it is, is still housekeeping.

president; the editor and production manager; an editorial and promotion

THE CASE HISTORY

Peter Martin Associates might be considered the archetypal Canadian publishing house. In an industry in which sales run from four figures a year

for small firms to seven for large firms, we're middle-sized at $80,000 last year, $100,000 or so this. In an industry with a few old firms, a multitude of new ones, we're middle-aged at six. Our books are middle-of-the-road. A little poetry, some fiction; a variety of non-fiction, little of it scholarly, but most of it intellectually respectable. We publish neither Sanskrit dictionaries, nor histories of the Stanley Cup. We rank fourteenth in number of titles in print among Canadian-owned book publishers. (There are literally hundreds of names on the list; most have less than a dozen books in print.)

One way and another, we have something like forty books in print and another twenty or so in various stages of production. (The twenty will be out this year if we can find the money for them.)

We have made fourteen sales of subsidiary rights (in addition to minor sales for anthology reprintings) for our books in Canada, the U.S., the U.K. and Japan.

Although none of our books is specifically and exclusively aimed at the educational market, several of our titles are used as texts in university courses in Canada and several others are authorized for primary or secondary school use in various provinces.

Two of our books have--briefly--been on Canadian bestseller lists. One was on the short list for Canadian Children's Book of the Year (it didn't win). None has won a Governor General's Award (one should have).

Our books are widely and sympathetically reviewed in Canada. The electronic media -- in particular, the CBC -- have been good to us and our authors have had generous and favourable exposure.

Our overheads are low. Total fixed salaries (three people: the president; the editor and production manager; an editorial and promotion assistant) amount to less than $1,350 a month. All other administrative services are provided by our affiliate Readers' Club of Canada Limited, and paid for on a percentage of Sales basis.

Manufacturing costs of book sold run at about 43% of net sales, 20-25% of list prices. Promotion costs were out of hand three years ago at 20% of sales, but now run to about 10% of sales.

We are ably and efficiently represented in British Columbia by the best sales people in the business (Douglas Agencies, Ltd -- a more important element in Canadian publishing than is generally recognized). We have had representation of a high calibre in Ontario and the Montreal market.

Our service is fast and efficient. Our discount structures for the trade are consistent with industry practices. Our credit policies are generous (we are trying to build sales) but not usually foolish.

We maintain good customers lists, turn out good, though inexpensive, catalogues, brochures and other mailing pieces, and mail intelligently.

A year and a half ago we analysed our sales pattern. On the titles for which data was available, our average sale in the first twelve months after publication was 1,982 copies. The average for non-fiction was a respectable (in the Canadian context) 2,495 copies. For fiction, the average was a distressing 1,103 (distressing in absolute terms, but not bad in the Canadian context). We have not updated the analysis, but the averages would be somewhat higher now in all cateogories.

We have a little something extra going for us because of our close relationship with the Readers' Club of Canada, the only Canadian book club. The Club is small, but it does move books.

So there's PMA. A nice little business. A good little publishing house. A modest credit to the nation. Doing good, if sometimes unspectacular work. In six years we have sold just over 100,000 books, 60% of them to bookstores and individuals, the balance to libraries and schools.

And, <u>in the same six years, we have lost $63,830.00</u>!

The Appendices spell it out. Year-by-year audited (Clarkson, Gordon) statements of Profit and Loss.

In 1969-70, we lost $24,000 on sales of $77,000. This year we are doing somewhat better, but it appears that we will have another substantial loss.

I suggested earlier that our firm might be considered the archetype for Canadian trade publishing. If this is so, then clearly Canadian publishing is in truly desperate straits. I have, of course, special and personal reasons for wanting to find out why PMA is losing money and to change that situation. But I think that an examination of the problem can be of value to the whole industry.

WHAT'S WRONG WITH PMA?

Superficially it is very easy to see what is wrong with PMA and to know what to do about it. Sales are too low, so they should be raised either by producing more new titles or by generating higher sales per title produced, or both. Inventories are too high, so the inventory carry-forward should be reduced either by increasing unit sales or by undertaking smaller printings in the first place. Profit margins are too low, so prices should be raised or unit manufacturing costs (now running 40-45% of sales) should be reduced. More money should be realized from the sale of subsidiary rights, because this represents additional revenue for author and publisher alike without entailing any significant additional expenditures. Overhead expenses are too high, so salaries should be reduced.

All of these first year B-school solutions are valid as far as they go but they are exceddingly difficult to implement, given the environment within which the Canadian trade publisher must operate.

Lacking access to adwquate working capital, we cannot increase our title output significantly.

In the highly competitive Canadian market place, we are unlikely to

be able to raise our per title unit sales sufficiently to be able to close the profit gap.

The inventory problem cannot be solved by reducing the length of printing runs, because printing runs are already uneconomically short in most cases; further reductions would drive up unit manufacturing costs and reduce profit margins.

Profit margins can only be increased minimally by raising prices. Our customers already believe our books are expensive. Further increases would almost certainly reduce unit sales to a degree that would wipe out the gains from the higher profit margins.

The sale of subisidiary rights is a growing source of revenue for PMA but, operating in the context of the Canadian market, it cannot be counted on as a major money-maker. Few "big ticket" subsidiary rights sales are made with Canadian books, either here or south of the border.

And finally it appears very difficult to cut fixed overheads. We are now minimally staffed with three people drawing total gross salaries of less than $1,350 a month; reduce that figure and we would all be better off on welfare.

The most pressing immediate problem faced by Canadian publishers, both trade and educational, is their need for new working capital. Jack McClelland has talked about this problem in public; others have done so more privately. Certainly a comparatively massive infusion of new working capital into PMA would enable us quickly to move from the red to the black. But in Canadian book publishing profitable firms are not <u>very</u> profitable. The nature of our markets, the environment in which we operate, and the overwhelming weight of foreign competition all act to put a ceiling on the return on the invested dollar that can be expected from book publishing in Canada. In a free economy, money moves restlessly seeking the highest return. Canadian book publishing, except in the

most extraordinary circumstances, simply does not generate a sufficiently high return to attract capital in adequate amounts.

Personally, I find it more than a little depressing to realize that if my own firm weathers its current difficulties, if we solve our immediate capital problems, if we continue for another decade or two to do a good and efficient and occasionally exciting job in Canadian publishing -- if we do all these things, then at the end of a life-long career of building a significant Canadian publishing house, I will find myself in Jack McClelland's position. It is not a pleasant prospect.

THE ENVIRONMENT

Canadian-owned publishing houses cannot secure adequate capital from conventional sources. They cannot do so because their profit potential is not sufficient to attract the capital. The environment in which they operate is, at the moment, so actively hostile that there appears to be no way for Canadian publishers, left to their own resources, to grow -- or even survive.

What are the salient characteristics of this environment?

-The Canadian market is almost totally open to foreign product.

-Canadian-owned houses face relentless competition from foreign-owned branch-plant operations in Canada -- branch-plants for whom essentially unlimited working capital is available. (In a typically Canadian situation, the branch-plant managers don't even have to go to head office to get their money; if you're the wholly-owned subsidiary of Gigantic International Multicorp Inc., Canadian bankers fall all over themselves to lend you Canadian money.)

-Although Canadians are increasingly receptive to the native product, Canadian books remain at a severe sidadvantage in the domestic market because of the powerful promotional impact of American publicity media.

(This is abundantly clear in Val Cleary's study on book reviewing in Canada.)

-For reasons of law and history, Canadian publishers do not have reciprocal access to continental markets. (The law -- the "manufacturing clause" -- is not the serious impediment. But its workings prior to its modification in 1963 established a seemingly permanent pattern of trade; Canadian publishers, denied significant access to the American market before 1963, were conditioned to ignore the possibilities of the American market. Their trade association, dominated by importers and branch plants, was conspicuously uninterested in developing export possibilities even after 1963.)

-And finally, and most importantly for the Canadian trade publisher, Canadian book prices are established in New York. This last point is sufficiently important to merit a separate discussion. That discussion follows.

THE PRICING PROBLEM

If Canadians spoke Swahili and dealt in razbuckniks, Canada would have a healthy and vigorous Canadian-owned book publishing industry. But, because we have the misfortune of speaking English and dealing in dollars, our publishing industry is fighting for its survival.

When people -- or institutions -- are spending money, they have quite specific psychological expectations of "value" for their money. All of us carry around in our heads a rough guide to what things should cost -- a new car, a bottle of whiskey, the weekly grocery bill, a shoeshine . . . and a book. If prices rise above our expectations, especially if they do so suddenly, we tend to resist. We either defer our purchase, or we simply substitute another product. This is a well-known and much-studied phenomenon and is, of

course, characteristic of the workings of a free economy.

It is also the principal causative factor in the destruction of the Canadian book publishing industry.

American "cultural imperialism" is the primary source of the difficulties of the Canadian trade book publisher, but not, in my opinion, for the reasons usually cited.

If the working capital problem could be resolved, I don't believe that the Canadian publishers would need to fear the "branch plants". Dollar for dollar and man for man, I believe we can out-perform them and hold them to a useful, but insignificant, role in the Canadian market.

It is, instead, the psychological expectations imposed upon Canadians by the New York promotional media that prevents us from flourishing.

Val Cleary asked librarians and booksellers about the publications they relied upon for their evaluation of trade books. The librarians listed four U.S. journals and one Canadian (Quill and Quire, fifth out of five). The booksellers listed six periodicals, of which two, tied for last place, were Canadian (the Globe Magazine and Quill and Quire).

Superficially it would appear that Canadian books from Canadian publishers are at a disadvantage because they are not reviewed in the important American journals. But the available evidence suggests that this is not the problem. Booksellers, librarians and public alike make a determined effort to seek out new Canadian books even though these are not noticed in most of the media reported as influential. Canadians are increasingly avid readers of Canadiana. Although hard figures are impossible to come by, it is likely that no American trade book in Canada last year even came close to the sales of The National Dream; in fact, it is almost as likely that only a tiny fraction of trade books imported from the U.S. achieve even the modest average sales of PMA titles.

The impact of the American media is more subtle. They establish the prices that Canadians expect to pay for books.

What are those prices? In the New York Times Book Review for March 14, 1971, thirteen novels and twenty-three works of non-fiction (new books, in hard covers) are reviewed. The average list price of the novels is $6.42 and of the non-fiction books $7.98. (These are mathematical averages; in fact, the prices cluster at $5.95 and $6.95 for fiction, $7.95 for non-fiction.)

And these are the prices that Canadians expect to pay for their books. We speak the same language and we quote prices in currencies with the same name. Psychologically, a dollar is a dollar. If the NYT says books are worth $6.95 or $7.95, then that's what Canadians expect to pay.

For the agent-importers (most of whom aren't getting noticeably rich on their supposedly exorbitant markups on imported books) this psychological attitude is a cross they bear.

The Canadian publisher isn't carrying that cross -- he's nailed to it.

American trade publishers price their product on the basis of their expectations of the return from a market of 225 million people. Traditionally, they rely heavily on the sale of domestic and foreign subsidiary rights for their profits. With the large market available to them, they can undertake comparatively large first printing runs, with resultant savings in unit costs. With potentially wider profit margins (through lower unit costs) they are able to promote their books aggressively (in fact, they have to; the American domestic trade market is fiercely competitive).

The Americans operate in an environment which looks, to their Canadian counterparts, suspiciously like a publisher's paradise.

But even so, American trade publishing is not an easy business.

rumours abound this spring that such seemingly successful trade publishers as Doubleday and Grove Press are in serious financial difficulties.

But, difficult as trade publishing is for the Americans, it is almost immeasurably more so for the Canadians.

Our captive domestic market isn't 225 millions. It's 14 millions. We can't reduce our first printings proportionately, because of the high, front-end fixed costs of book production, so we have the worst of both worlds: we print 3,000 instead of 6,000 copies on our first printings, take an enormously higher proportionate risk on each title we publish, but still find ourselves with higher unit costs than our American counterparts.

If we hit the jackpot, our sales peak at a much lower total level than those of our American counterparts.

If we bomb out, we bomb out with a proportionately larger loss than our American counterparts.

In most businesses, the costs of risk-taking are built into the price of the product. (After all, if a venture is to survive, the customer has to pay <u>all</u> the costs.) But in Canadian book publishing, it is absolutely impossible to cover the element of risk by pricing at reasonable levels -- because the prices our markets are willing to pay are psychologically determined at levels appropiate to a far larger and differently structured market than our own.

(The situation produces some curious effects. Books of poetry, because they involve less typesetting and other composition costs than other books, involve less "front-end" expense. Therefore production runs do not have to be so long to keep unit costs reasonable: I wonder if this is why Canada has an astonishingly vigorous crop of poets and a comparatively enormous market for published poetry? Long novels, on the other hand, involve very large typesetting costs and resultingly high unit manufacturing costs on short

printing runs; the big novel is endemic in the U.S., but is almost nonexistent in Canada. Canadians write short novels for domestic consumption. No publisher believes that the medium is the message -- but it does have its Procrustean qualities.)

In summary. The Canadian trade publisher serves a smaller market, produces at a higher unit cost than his American counterpart. But the prices he can obtain for his product are prices determined by the American market, not by the Canadian. As a result, he operates in an environment of high risk and low return. Since money managers are disinclined to put patriotism ahead of profit, it is hardly surprising that the Canadian publishers can't find the capital they need to survive.

To return to our premise. Canadians speak English and deal in dollars. It is unlikely, therefore, that they will be willing in sufficient numbers to pay the prices for books that need to be paid if the Canadian industry is to survive unaided. Other solutions, must therefore be sought.

SOLUTIONS

1. In spite of their environmental handicaps -- or perhaps because of them -- Canadian publishers are efficient producers and marketers. If working capital were available to them at preferred rates, they would be able to survive and grow. Low-cost loans from a federal or provincial agency would resolve the immediate crisis in a satisfactory manner. Probably not more than $10 million of public funds would need to be set aside for this purpose. ($10 million, as it happens, is about the price that the Dept. of National Defense is paying for its fifth Boeing 707; one wonders which investment contributes more to national survival.)

2. A program of research and development grants should be instituted for publishers embarking on needed major projects. In the educational field, it

can be argued that provincial agencies should be the source of R&D money. For major trade publishing projects (series, reference works, etc.) the source of the funding doesn't matter. Such funds might be outright grants; they might, alternatively, involve participation in the resulting sales and anticipate a pay-back if the project were commercially successful.

3. A vigorous export development program for Canadian trade books should be undertaken. Industry, Trade and Commerce is already studying the matter and making encouraging noises. There is, as far as I can see, no reason whatsoever why a provincial agency could not undertake a parallel program.

4. Most Canadian public librarians do their best to buy and shelf a good collection of contemporary Canadian books. All of them, however, function with severely limited funds for acquisitions. Because of borrower demand (stimulated in part by American "cultural imperialism") the librarian must shelve Valley of the Dolls and its ilk. A special program should be established by the provincial government which would provide public library boards across the province with funds specifically earmarked for the purchase of Canadian books. Selection, of course, would remain in the hands of the librarians, where it should be. But the benefits of the program would be two-fold; more Canadian books would be available to the public -- and libraries would be able to build better and more balanced collections.

5. School boards and public library systems should be prohibited from making any purchases from foreign or foreign-owned wholesalers.

6. Grants for non-commercial works of literature from the Canada Council and the Province of Ontario Council for the Arts should be consistently increased to economically reasonable levels.

The recommendations above all involve initiative in the public sector. There are, in addition, a number of steps to be taken with in the private sector. We need a national book review medium. We need a strong Canadian paperback reprinting and marketing agency. We need stronger Canadian wholesalers. The

Canadian-owned publishing houses need to co-operate more closely in exhibitions, public relations and other forms of promotion.

It is, I think, significant that at this writing more initiatives have been taken in the private sector than in the public. "Books in Canada" will start appearing monthly this summer. The Co-operative Book Centre is back in business and is competing vigorously. Several of the smaller independent publishers will be mounting joint exhibitions at the Canadian Booksellers Association convention this spring. The publishers are doing all they can on their own. Complementary action from government is needed. Now.

FINAL WORDS

Naturally I am concerned about the survival of my own firm. I think that we have a socially useful role to play and I will do my best to see that we live and grow and provide, ultimately, a reasonable return on investment for our backers.

But, -- pace, my shareholders! -- I am more concerned about the survival of the Canadian nation than I am about the survival of PMA. "Books of our own", in Dennis Lee's phrase, are an essential component of our national identity. The Canadian story is passed from generation to generation between the covers of our books. Our creative writers explore the distinctive interplay between the human spirit and the Canadian environment. Our political, social and economic issues are thrashed out in the pages of our books. For all these reasons we need "books of our own". We can neither expect, nor rely upon, the foreigners to publish these books for us. If Canada is to survive as something more than a geographical expression, we must establish a climate in which a lealthy and competitive book publishing industry can flourish.

Establish that climate and PMA will take its chances. Perhaps we will do enough things right to survive and grow. Perhaps we won't. Perhaps

the future of indigenous Canadian publishing will be determined by people and firms that don't even exist yet. Uncertainties like these make life interesting.

The uncertainties of a competitive future are a great deal more attractive, in fact, than the near-certainty of disappearance that we and all our competitors now face.

Peter Martin
March 16, 1971

APPENDICES

1. Book Sales by Title

2. Balance Sheet at June 30, 1970

3. Statements of Profit and Loss

PETER MARTIN ASSOCIATES LIMITED
17 INKERMAN STREET, TORONTO 5, ONTARIO 925-5589

March 31, 1970

SALES PERFORMANCE OF PMA TITLES IN FIRST TWELVE MONTHS AFTER PUBLICATION

(Note: the 19 titles listed below include all PMA books which have been in print for at least twelve months and for which detailed sales information is on record. About a dozen PMA books are not included in the list because they are either very recent or else were published very early in our history at a time when we did not keep accurate month-by-month sales information).

		Fiction/Non-fiction
Eglinton - paperbound	1,553	N
Eglinton - clothbound	808	N
Bright World Around Us	1,366	N
By the Sound of Her Whistle	2,452	N
I, Nuligak	2,645	N
Canada at Vimy	1,528	N
Trail of the Iroquois Indians	987	N
Around the Mountain	1,191	F
Canadian Scenery	2,155	N
The Shell Game	547	F
Yellowknife	4,807	N
Education in Soviet Ukraine	6,022	N
Winter Racehorse	520	F
The Pro	379	F
Lucile Panabaker's Song Book	1,031	N
Killing Ground	2,807	F
The Magic Fiddler	1,476	F
Double Spell	803	F
Canadian Real Estate	4,586	N

Average first-year sale per title	1,982
Average first-year sale per title non-fiction	2,495
Average first-year sale per title fiction	1,103

PETER MARTIN ASSOCIATES LIMITED

(Incorporated as a Public Company under the laws of Ontario - note 2)

BALANCE SHEET

JUNE 30, 1970

(with comparative figures at June 30, 1969)

	1970	1969
A S S E T S		
Current:		
Cash		$ 37
Accounts receivable - trade (note 1)	$19,501	11,162
Due from Readers' Club of Canada Limited, an associated company		6,784
Due from shareholders (note 2)	743	485
Inventories - at lower of cost or net realizable value (note 1)	46,937	50,666
Total current assets	67,181	69,134
Due from Readers' Club of Canada Limited, an associated company	9,947	
Incorporation expenses, at cost	625	625
Goodwill, at cost	7,462	7,462
	$85,215	$77,221
L I A B I L I T I E S		
Current liabilities:		
Bank indebtedness	$ 2,764	$ 6,300
Accounts payable and accrued charges (note 1)	96,301	90,096
Notes payable	8,500	1,000
Deferred revenue	5,675	
Total current liabilities	113,240	97,396
Capital stock and deficit:		
Share capital (note 2) -		
Authorized:		
9,000 10% non-cumulative, preference shares, par value $10 each, redeemable at par		
30,000 common shares of no par value		
Issued:		
2,607 preference shares	26,070	7,200
10,000 common shares	395	386
Subscriptions received for preference shares (note 2)	1,500	4,000
	27,965	11,586
Deficit	(55,990)	(31,761)
	(28,025)	(20,175)
	$ 85,215	$77,221

(See accompanying notes)

PETER MARTIN ASSOCIATES LIMITED

STATEMENT OF PROFIT AND LOSS AND DEFICIT

FOR THE YEAR ENDED JUNE 30, 1970
(with comparative figures for the year ended June 30, 1969)

	1970	1969
Sales	$77,143	$54,940
Cost of sales	33,624	20,414
Gross profit before provision for slow moving inventory	43,519	34,526
Provision for slow moving inventory	11,937	14,622
Gross profit	31,582	19,904
Expenses:		
Salaries (note 3)	13,967	7,797
Administration	8,378	6,958
Advertising	10,139	11,309
Authors' royalties	11,636	8,718
Provision for doubtful accounts	3,506	3,956
Professional services	1,215	975
Handling and shipping	886	1,272
Interest, exchange and bank charges	2,620	2,122
Library	89	155
Office expenses	2,567	1,559
Travel and representation	668	432
Other	703	802
	56,374	46,055
Loss before miscellaneous revenue	24,792	26,151
Miscellaneous revenue	563	1,224
Net loss for the year	24,229	24,927
Deficit, beginning of year	31,761	6,834
Deficit, end of year	$55,990	$31,761

(See accompanying notes)

PETER MARTIN ASSOCIATES LIMITED

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

FOR THE YEAR ENDED JUNE 30, 1969

(with comparative figures for the year ended June 30, 1968)

	1969	1968
Sales	$ 54,940	$100,174
Cost of sales	20,414	49,733
Gross profit before providing for slow moving inventory	34,526	50,441
Provision for slow moving inventory	14,622	5,629
Gross profit	19,904	44,812
Expenses:		
Salaries	7,797	5,400
Administration	6,958	11,135
Advertising	11,309	17,483
Authors' royalties	8,718	7,996
Provision for doubtful accounts and returns	3,956	
Customs and brokerage	155	397
Professional services	975	800
Handling and shipping	1,272	3,152
Interest, exchange and bank charges	2,122	1,504
Library	155	315
Office expenses	1,559	2,344
Travel and representation	432	714
Other	647	533
	46,055	51,773
Loss before miscellaneous revenue	26,151	6,961
Miscellaneous revenue	1,224	
Net loss for the year	24,927	6,961
Deficit (earned surplus) beginning of year	(6,834)	(127)
Deficit at end of year	$ 31,761	$ 6,834

(See accompanying notes)

PETER MARTIN ASSOCIATES LIMITED

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

FOR THE YEAR ENDED JUNE 30, 1967
(with comparative figures for the period from the date of incorporation on June 25, 1965 to June 30, 1966)

	1967	1966
Sales	$42,164.93	$12,601.79
Cost of sales	19,206.76	6,842.19
Gross profit	22,958.17	5,759.60
Expenses:		
Salaries	2,122.77	
Administration	5,024.25	1,850.99
Advertising	3,861.67	1,087.08
Authors' royalties	7,296.22	1,447.63
Provision for doubtful accounts and returns	1,000.00	
Customs and brokerage	87.95	131.25
Editing		132.61
Handling and shipping	1,145.40	247.85
Interest, exchange and bank charges	872.18	41.72
Library	186.88	62.25
Office expenses	485.56	275.58
Travel and representation	652.69	380.65
Other	160.70	
	22,896.27	5,657.61
Profit before income taxes	61.90	101.99
Income taxes	14.00	23.00
Net profit for the period	47.90	78.99
Earned surplus balance start of period	78.99	
Earned surplus at end of period	$ 126.89	$ 78.99

See accompanying notes

12

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY;

ANTIQUARIAN BOOKSELLERS ASSOCIATION OF CANADA

APRIL 14, 1971

ANTIQVARIAN BOOKSELLERS ASSOCIATION OF CANADA

ASSOCIATION DE LA LIBRAIRIE ANCIENNE DV CANADA

Secretary:
P.H.Weinrich, Suite 32, 2 Bloor St E, Toronto, Canada

The Executive Secretary
Ontario Royal Commission on Book Publishing
Suite S-750, 252 Bloor Street West
TORONTO 181, Ontario

9th March 1971

BRIEF

1. This brief is presented on behalf of the Antiquarian Booksellers Association of Canada/Association de la Librairie Ancienne du Canada, incorporated by federal Letters Patent, 26th October 1966. The Association has 26 full members, of whom 14 are in Ontario and 9 in Quebec, and represents about 75% of the antiquarian booksellers in Canada who are eligible for membership. The Association is affiliated to the International League of Antiquarian Booksellers, whose headquarters is Geneva.

2. The publishing activities of members of the Association are at present restricted to specialist publications:- bibliographical and literary. Four of our members have published books, and four or five more have work in preparation. We wish to draw attention to further possibilities

which are not currently covered by Canadian publishers.

I. More extensive programmes of bibliographies and other books of limited sale, which our members are particularly suited to do in the nature of their business. "There is clearly a need for the compilation and publication of selection tools specifically adapted to the needs of Canadian libraries..." Downes: Resources of Canadian Academic & Research Libraries, Ottawa, 1967. p. 67.

II. Reprints of older material relating to Canada. It is significant that most reprint publishing in other countries has grown out of antiquarian bookselling rather than established publishers. e.g. Kraus, Johnson, Burt Franklin, A.M.Kelley etc. So far Canadian material has been sporadically covered by a few firms outside this country, and very little has been done in Canada.

3. It is obvious that publishing programmes in these fields would be almost wholly dependent on libraries for their market, and, given the limited Canadian demand, would command such a small profit as not to encourage other publishers to venture their capital. With a firmer financial base, and assured library sales, more of our members would be encouraged in such ventures. Book dealers are in a position to make direct sales as part of their normal antiquarian operation, without the expense usually

attached to such sales by regular publishers, and, in addition, specialist publications provide a boost in much needed public relations with libraries.

4. A recent survey conducted by the Association indicates that less than one percent of the book purchasing budget (estimated at 20 million dollars) of the university and major public libraries in Canada is spent with our members. Firgures are not available of the percentage of this budget spent on out-of-print books in general, but estimates vary between fifteen and twenty-five percent.

5. Tradionally, library contacts have been with the United States and Europe. Despite our Association's efforts to encourage Canadian libraries to utilise our members, this has been difficult when we are competing with tradition and with larger foreign companies who can afford extensive public relations tours by their directors. These tours are the most effective way of encouraging further sales, but they are out of the question for the majority of members on the grounds of cost and/or time. Most of us are dependent on one man.

6. The reason for the effectiveness of direct contact as a way of selling both out-of-print, reprints and specialist books, lies in the way selection procedures are operated at most university libraries. Shortage of specialist library staff means that selection, in practice, is carried out by the faculty. Even in a university as large as McGill, book

selection is carried out by the faculty in every field except English literature. Any bookseller who is able to spend sufficient time at libraries and with faculty is able to reap substantial rewards. The antiquarian and reprint field within one subject is still too large for any faculty representative to cover adequately, in addition to all his other duties, and he must perforce rely on other people's suggestions. This is not such an acute matter in the field of new books from established publishers, where general selection is based on pre-determined guide lines or by blanket order system. Specialized books can be ordered outside these guidelines, since multiple copies are presumed to be available. Out-of-print selection is not in a satisfactory situation, as Downs recognised - "It is not an uncommon practice in college and university libraries for the staff to abdicate responsibility to the faculty for book selection and collection development..the consequences may well be disastrous." (Op.cit. p.60). But given the present cutback in funds, this situation seems inescapable. It can hardly be doubted, however, that a Canadian bookseller is in a better position to advise on purely Canadian matters than his colleagues from other countries, and is in no way disadvantaged where international matters are concerned.

7. The international character of the antiquarian trade has changed considerably in the recent past, mainly because of the increasing shortage of good research material. Antiquarian prices have risen on average 600 percent over the ten-year period ending 1970, (Times-Sotheby Index). It is no longer a feasible proposition for librarians to make extensive buying trips to Europe and elsewhere, bent on collection development. Canadian antiquarian booksellers are in a much better position to offer a properly qualified service to Canadian libraries, and the cooperative nature of the trade is such that they probably have equal access to - and more information - other booksellers' stocks, than libraries.

8. Our members do not, of course, exist on sales to Canadian universities alone, and a substantial part of their business comes from exports, principally to the United States. They are therefore in a good position to further the export sales of any publication they issue, through already established contacts and reciprocal arrangements with other booksellers.

9. The Association is not particularly looking to the Government for subsidies to enable members to publish books, but rather of being able to encourage Canadian libraries to spend more of the public funds at their disposal with Canadian dealers. Short of compelling the libraries to do this, the Association believes it can best be achieved

by personal contact between the dealer and the librarian, combined with a process of educating the faculty into the vagaries of the antiquarian and reprint trade. If direct grants are to be made available, then the Association would prefer to see them directed to enabling our members to make extended tours in Canada to accomplish this. All the subsidised publications in the world will not compensate for the absence of a market: the Association believes that that market exists in Canada, it it can only be tapped.

Respectfully submitted

Peter H. Weinrich
Secretary to the Association

13

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

CARSWELL CO. LIMITED PUBLISHERS

APRIL 14, 1971

BRIEF TO THE ROYAL COMMISSION ON BOOK PUBLISHING

RESUME

Introduction.

Factors in the problems of the industry.

Relevance of nationality of the author and publisher.

Agency-based companies - motivation - problems - advantages to Canadian authors.

Proposals for alleviating problems - comments.

Appendix - The Carswell Co., Ltd.

BRIEF TO ROYAL COMMISSION ON BOOK PUBLISHING

ON BEHALF OF THE CARSWELL COMPANY LIMITED

In this brief it will be assumed that the Commission will be well supplied with statistical information by the Canadian Book Publishers' Council and other bodies. No attempt will be made to interpret any statistics and the submission will be made from the point of view of an agency based company with a Canadian publishing programme.

No reference will be made to law publishing. Law publishing has its problems but, generally speaking, they are very different from those of the publishers in other fields and have no relevance to those other fields.

It will be understood that as this is a foreign controlled company the approach will be from the point of view of such a company.

It is submitted that the nationality of the company has little, if any, relevance to the problems of publishing. These problems arise from:

1. The fact that Canada has a small population spread over a very large geographical area.
2. A fragmented, inadequately organized, and poorly financed book selling industry.
3. A shortage of risk capital.

The first of these factors has to be faced and there is nothing that can be done about it. It imposes on publishers the need for a very expensive selling organization. The second factor is a direct result of the first.

There are indications recently that the position may improve since the arrival on the scene of entrepreneurs who are genuinely attempting to set up a high quality book selling operation.

The third factor is one which is not peculiar to the publishing industry. It affects Canadian industry as a whole. Such risk capital as is available has many opportunities and these, generally speaking, are more attractive in terms of profit than is publishing. Publishing is a high risk, low profit industry. It is peopled in the English speaking world by persons who are incurably optimistic and, generally speaking, motivated at least as much by the excitement and interest of the job as by the financial rewards. As a result there is a fantastic over-production of titles both in the United Kingdom and in the United States. This, of course, does have some effect on the publishing industry so far as it is indigenous to Canada in that publishing is essentially an international business, and the Canadian publishers are competing for dollars with the products of the English and American companies.

It cannot be denied that there are certain areas of publishing where the nationality of the author is very important indeed. Broadly speaking, these areas are trade books and books for schools. There are limits to this relevance of nationality even in these areas. Obviously, in the trade book field where the topic is essentially Canadian as it may be in the fields of biography, politics, and history, a Canadian should be better able to produce a book of interest to the Canadian reader. In the case of novels this is not necessarily so, dependent upon the theme. In the case of books for schools, this also applies in many areas. But there are also very many areas, such as the whole fields of science, of

literature and literary criticism, and of modern languages, where the authorship is quite irrelevant and the quality of the book is what is important. Similar observations can be made about the college field. It is obvious that if you require a book on the Canadian Political System, for example, it should be written by a Canadian but a book on Politics should not, necessarily, be of Canadian authorship. At this level it is important that the student should be exposed to ideas from writers from other countries as well as from Canadian writers.

The considerations affecting authorship should not, it is submitted, be applied to the publisher. The imprint on the title-page has no relevance.

So far as books for the educational system are concerned the remedies for the alleged deficiencies of the present system lie in the hands of the educational authorities. Co-operation between the Provinces in setting a policy for reading materials in subject areas of strictly Canadian content would be of enormous help to publishers.

The existence of agency based companies arises from history. English companies, in particular, came into Canada early in this century and their motivation was to achieve a better distribution of the books produced in the United Kingdom. At that stage, the population of Canada could not support an indigenous industry and some of these companies, at any rate, developed a local publishing operation to meet a demand and need which was not met by the English productions. The motivation of agency based companies remains much the same today as it did at that time. The allegations that have been made as to the forcing on the Canadian public and, in particular, on Canadian students of books which are unsuitable for Canada are hard to believe. Certainly, so far as this company is concerned, our endeavour has

been to seek out areas of publishing where there is a need for indigenous Canadian books. It would not be possible for us to attempt to do this without the substructure afforded by the necessity to market the books imported from the United Kingdom. Our task in this respect would, of course, be vastly eased if we were not faced with the "buying round" problem, and if the public money at present expended outside Canada for the purchase of books were expended with the Canadian agents it would transform the situation, certainly so far as agency based companies are concerned.

There are, in fact, distinct advantages for Canadian authors to be published by companies that have a corporate link with United Kingdom companies. There is a limited amount of money available for, and a limited interest in, books of a peculiarly Canadian character in the market served by British publishers. Generally speaking, such publishers do not find it economical to import books from overseas in quantities of less than 1,000 copies. The cost of promotion and the overhead costs dictate such a policy. Where the book is produced by a Canadian company in which the British company has an interest the considerations are different. The fact that the sales in the British publishers' market contribute to the profits of the Canadian company dictates, in fact, a policy which ensures that every effort is made to sell them in the market served by the British publisher. This does not necessarily mean that very large numbers are sold but our own experience is that it is normally possible to place an original order of 350 copies and we have, in some cases, sold as many as 2,000 copies into the market served by the parent company. Selling these books into the United States is not so easy. Until one has built up a substantial list

it is, indeed, quite difficult. This is a factor which, of course, affects indigenous Canadian companies. It is suggested that a co-operative approach might solve this particular problem, and the example of the University of Toronto Press might be followed.

Various proposals have been made to overcome the problems of the industry. Some of these, involving substantial expenditure of public monies, are not likely to be acceptable, nor indeed are they sensible. Politically, expenditure of substantial amounts of public money is bound to lead to some element of public or government control. It is submitted that this is undesirable and that the kind of people engaged in publishing would never be prepared to accept any such element of control.

If government support is to be given, it should not be in the form of a blank cheque. Nor, it is submitted, should it be given on a discriminatory basis. It could take several forms. One could be by way of grants to authors to support them during the research and writing necessary to produce serious works of scholarship. Another could be analogous to the subvention granted in Australia to compensate for the higher production costs in the domestic market. Another could be in the form of an export bonus.

The industry should not expect to receive government assistance unless it is prepared to do something to help itself. Publishers being highly individualistic, this may not be easy, but the smaller companies should, at least, explore the possibility of setting up a co-operative distribution outlet and, of a joint marketing effort in the United States, and in the United Kingdom which is the centre of English-speakin publishing outside North America.

The appointment of the Commission arose from a public outcry over the acquisition of a Canadian publishing company by an American publishing company. This produced an emotional nationalistic, in some cases, chauvinistic, reaction. It is submitted that in economic terms it is unrealistic to expect that the publishing industry in Canada can ever be purely Canadian in its base.

In the search for solutions to the problems of the industry, the contribution which can be made by foreign-based companies should not be overlooked. These companies have served Canada well in the past and can, and will, continue to do so.

M. W. Maxwell

BRIEF TO ROYAL COMMISSION ON BOOK PUBLISHING

APPENDIX

This brief is submitted on behalf of the Carswell Company Limited.

The Carswell Company was founded in 1867 by the late Mr. Robert Carswell as a law publishing company. Among its activities was the selling of English law books produced by Sweet & Maxwell Limited. In 1913 the company needed additional capital and Sweet & Maxwell were invited to take a substantial stake in the company and did so at that time. The company continued as a law publishing company, but with a printing plant of its own, up to 1963. At that time Sweet & Maxwell merged with Associated Book Publishers Limited. The resultant group in the United Kingdom is one which covers most fields of book publishing. The component companies, in addition to Sweet & Maxwell and its former subsidiaries, are Methuen & Company Limited, Chapman & Hall Limited, and Eyre & Spottiswoode (Publishers) Limited.

Following on this merger in the United Kingdom it was decided that the distribution of the books produced by the other English companies should be undertaken by the Carswell Company. Previously, the distribution had been carried out by Ryerson Press Limited. At that time Associated Book Publishers acquired additional shares in the Carswell Company giving it control.

The Carswell Company then formed a separate division under the name of Methuen Publications to distribute the non-legal books and subsequently embarked on a publishing programme for the Canadian market. The main thrust into the Canadian market has been at the University level although some publishing has been done for High Schools and a small amount of trade publishing has also been done.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

MacLEAN-HUNTER LEARNING MATERIALS COMPANY

APRIL 14, 1971

Brief to the Ontario Royal Commission on Book Publishing

by

Maclean-Hunter Learning Materials Company

For Release after presentation to the Commission

Maclean-Hunter Learning Materials Company

- -

Head Office: 481 University Avenue, Toronto, Canada

Telephone: 362-5311

- -

This brief will be presented to the Ontario Royal Commission on Book Publishing by George W. Gilmour, Vice-President, Business Publications Division, Maclean-Hunter Limited, and President, Maclean-Hunter Learning Materials Company.

Appearing with Mr. Gilmour will be:

Donald G. Campbell
President
Maclean-Hunter Limited

Edward Trefiak
General Manager
Maclean-Hunter Learning Materials Company

1. Maclean-Hunter, through its various business, trade and technical publications has sold books to the Canadian market for over twenty-five years. These have been specialized "business education" books produced by other Canadian, United States and British book publishers.

2. As this business developed we recognized that, within Maclean-Hunter, we had a great resource of writers and editors, each with very intimate knowledge of specialized Canadian industries and markets. We also had available to us the best mailing lists in Canada to these specialized markets. We discovered, at this time, that there was a growing need in the educational field for resource materials on Canada's industries. Therefore, in 1968 we started a Book Producing Department.

3. In order to expand the base of operations, efforts were made to purchase several companies, one of which was The Ryerson Press. These attempts were unsuccessful.

4. In 1970 we decided to start up Maclean-Hunter Learning Materials Company, which would produce learning materials for the elementary/high school/community college field. (A list of our present products attached, Appendix "A").

5. Therefore, while we are pleased to be asked to submit our views to this Commission and while we shall, in some part, be producers of books, it should be made clear that our involvement will -

   (a) Primarily be in the Canadian Educational Fields.

(b) Embrace all forms of learning materials, whether books, audio visual, resource, games, reprints, periodicals, etc.

(c) Emphasize Canadian content.

6. Educational products are vital ingredients in the learning process. Books, film, slides, tape, etc. help the Canadian child become aware of the world around him and develop his own intellectual and manual skills.

7. Outstanding Canadian materials, selected carefully by skilled teachers and used under their guidance are needed to provide the Canadian student with a sound basis for effective personal development.

8. The Government has demonstrated, through the Hall Dennis Commission, the Ontario Institute for Studies in Education and the intensive re-evaluation going on at the Department of Education, that in Ontario improvement in the quality of education has a top priority.

9. However, the Ontario and Federal Governments have not yet, officially, stated that Canadian publishers and producers of learning materials for our schools represent a "key" Canadian industry in the same way that such recognition has been given to radio, TV, uranium, Cable TV and periodicals.

10. We submit that the learning materials which our young Canadians are exposed to in school, in their formative years, are equally important,

in terms of strengthening Canadian identity, as other areas of Canadian life which have already been labeled as "key". Recommendation to follow.

11. Both Provincial and Federal Governments have subscribed to the proposition of bilingualism and biculturalism. It is in the interest of all Canadians that the points of view as expressed, for example, in Social Science materials published in English, be also available in French.

12. It is equally in the interest of Ontario that points of view, expressed originally in French, be made available to English speaking Canadians, in English. This is a unique problem. No other Province, other than Quebec, is so critically involved as is Ontario. In few other countries are publishers of books and learning materials faced with the added and almost mandatory cost of language conversion.

13. The publisher usually pays substantially more for translation than the author receives in royalties for books sold in the language into which the original has been translated. Recommendation to follow.

14. The Province, in its drive for export sales, may well have overlooked the possibilities of sales by Ontario based, Canadian -owned and controlled producers of books and learning materials. Recommendation to follow.

Recommendations

15. We recommend that the Government of the Province of Ontario officially recognize that Canadian-owned and controlled companies producing textbooks, resource materials, film, slides, tapes and other learning materials for schools, colleges and universities be designated as part of a "key" Canadian industry and that this recognition take several tangible forms: -

That where low profit, but highly essential Canadian learning materials are identified, the production of these materials be contracted to Canadian-owned and controlled companies and that the cost of financing these projects be shared equally by the producing firm and the Government, with the producer receiving first profits, up to an agreed upon return on investment.

16. As language conversion is highly desirable to preserve ourselves as a nation, we recommend:

Where books or learning materials produced in either English or French by Ontario based, Canadian-owned and controlled companies have a market in the other language, the Provincial Government should pay a minimum of 75% of the language conversion costs. This recommenation carries the strong support of the Canadian Studies Foundation. (See letter, Appendix "B").

17. The United States and Britain export great quantities of books, periodicals, films and learning materials into Canada. Canadians are "made aware" of the U.S.A. and Britain as a result. Canadian publishers and producers of learning materials have been slow to reverse the flow, because of timidity, limited working capital, inadequate distribution facilities and harassment through U.S. customs regulations. We feel Canadian publishers and producers of learning materials should be encouraged - perhaps even "pushed" into attempting to open up foreign markets to Canadian products in these fields.

18. The advantages to Ontario and Canada are:

(a) Export dollars.

(b) More important - a wider distribution and awareness of Canadian ideas, identity and authors. In plain terms, here is an outstanding opportunity to promote Canada abroad which is now going to waste.

19. Therefore, we recommend:

That the Ontario Government provide interest free, repayable loans to cover cost of that portion of any product line sold in export.

20. In addition:

We support the position which book publishers and printers take with regard to the so-called "Manufacturing Clause" in U.S.A. customs regulations, as it pertains to books published in Canada and exported to the United States. As Canada does not have a similar customs and

copyright regulation, we urge the Province and this Commission to use its influence to have U.S.A. copyright and customs laws changed so that a U.S. citizen could publish and print in Canada and distribute into the U.S.A., just as a Canadian citizen can now publish and print in the U.S.A. and distribute into Canada - with no fear of copyright loss.

21. We recommend that this Committee add its influence to the proposal that the Department of Education, Province of Ontario, find ways of assessing books and learning materials when they are at the final stage of development, but before any manufacturing is done - and giving, or not giving, assurance at that time that the product will be approved for the appropriate curriculum.

22. With specific reference to educational materials, we urge this Committee to support the proposal which has been put before the Ontario Department of Education, that materials need not be in their finished, manufactured form before receiving approval for inclusion on Circular 14 or the new Circular 15. At present, publishers must go through the entire manufacturing cost before knowing whether their books or materials will be approved for use in our schools. If approval is not given, the publisher is faced with the loss.

23. Maclean-Hunter Limited, our parent company, and its subsidiary Co-operative Book Centre of Canada Limited, wholesale book distributors, will also present a brief to this Commission, dealing in particular with the problems of book distribution.

Products now in Inventory

a. CAREER PLANNING & JOB HUNTING/OCCUPATIONAL OPTIONS - a student counselling manual.

b. THE RETAILING EXPERIENCE - a career book produced with the financial support of the Retail Council of Canada.

c. THE GREEN NORTH - a paperback pocketbook developed with the financial assistance of the Mid-Canada Development Foundation.

d. ESSAYS ON MID-CANADA - proceedings of the Mid-Canada Conference, published with financial assistance of the Mid-Canada Development Foundation.

e. MEDIA FOR DISCOVERY - a teacher's book on the integration and media in learning.

f. MID-CANADA CONFERENCE REPORT - published for the Mid-Canada Development Foundation.

g. THE GREAT CANADIAN OIL PATCH - history of the Canadian oil industry.

h. CANADIAN REAL ESTATE: HOW TO MAKE IT PAY - a layman's handbook on real estate investment.

i. CANADIAN ISSUES: WINNIPEG GENERAL STRIKE

j. CANADIAN ISSUES: ECONOMIC NATIONALISM

k. CANADIAN ISSUES: SEPARATISM

l. CANADIAN ISSUES: LOUIS RIEL

m. SHAPING CANADA'S ENVIRONMENT SERIES: IMPACT OF OIL

n. SHAPING CANADA'S ENVIRONMENT SERIES:
BUILDING FOR PEOPLE

o. SHAPING CANADA'S ENVIRONMENT SERIES:
DEVELOPING WATER RESOURCES

p. SHAPING CANADA'S ENVIRONMENT SERIES: POLLUTION
- Shaping Canada's Environment Series is owned 50% by Maclean-Hunter and 50% by McGraw Hill (Canada) Limited.

q. EASY STEPS TO HIGHER PROFIT - a booklet for the restaurant industry developed in cooperation with Canadian Hotel & Restaurant magazine.

Appendix "B"

The Canada Studies Foundation

La Fondation D'Études Du Canada

252 BLOOR STREET WEST TORONTO, ONTARIO, CANADA TELEPHONE 416-923-6405

RMAN/PRÉSIDENT HON WALTER L GORDON, P C CO-CHAIRMAN/PRÉSIDENT-ADJOINT PAUL LACOSTE, LL L, D. de l'U (PARIS) DIRECTOR/DIRECTEUR A B HODGETTS

March 4, 1971.

r. E. Trefiak,
acLean-Hunter Learning Materials.
20 Butterick Road,
Toronto, Ontario.

Dear Mr. Trefiak,

This is written concerning the brief that MacLean-Hunter is preparing for submission to the Royal Commission on Book Publishing. I understand, from our recent discussion, that this brief will include a recommendation that Government support be provided for translation from English into French and vice versa of suitable Canadian materials.

It is unlikely that the Canada Studies Foundation will be making a submission to the Royal Commission. We would, however, like to support you, in the strongest possible way, so far as your recommendation about translation is concerned. Most of the projects now being financed by the Canada Studies Foundation are designed to provide opportunities for educators from our two main linguistic communities to work together. Without any doubt, the greatest difficulty we face is the whole question of developing and exchanging materials between English and French speaking educators when translation costs are prohibitively high. We are inclined to believe that this is one of the major hindrances to greater cooperation between educators in the two central provinces. Based on our own experience, therefore, we would like to lend our complete support to the recommendation that you will be making to the Royal Commission on Book Publishing.

Yours sincerely,

A. B. Hodgetts,
Director.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

MacLEAN-HUNTER LIMITED
and
CO-OPERATIVE BOOK CENTRE OF CANADA LTD.

APRIL 14, 1971

15

Brief to the Ontario Royal Commission

on Book Publishing

by

MACLEAN-HUNTER LIMITED

and

Co-operative Book Centre of Canada Limited

For release after presentation to the Commission

Maclean-Hunter Limited

and

Co-operative Book Centre of Canada Limited

Head Office: 481 University Avenue, Toronto, Canada

Telephone: 362-5311

This brief will be presented to the Ontario Royal Commission on Book Publishing by Gordon J. Rumgay, Manager, Magazine Circulation Division, Maclean-Hunter, and President, Co-operative Book Centre of Canada Limited.

Appearing with Mr. Rumgay will be:

Mr. George Harwood - ExecutiveVice-President and Managing Director of the Co-operative Book Centre of Canada Ltd.

Mr. Martin Smee - Manager of the Fine Book Division of Maclean-Hunter and Director of the Co-operative Book Centre of Canada.

Mr. Clair Ingram - Newsstand Sales Manager of Maclean-Hunter Limited and Manager of the M-H Distributing Company.

1. Although Maclean-Hunter Limited has been in the publishing business for more than 80 years, it is a recent entrant in the field of trade and text books. Our experience in this field, therefore, is not nearly as complete as many of the other publishers who will be forwarding briefs to you. However, in the belief that you are anxious to obtain as broad a spectrum of opinion as possible, we are happy to provide you with our history and experience in the industry, our present position in that industry and our views on some of the problems that beset it.

2. Maclean-Hunter's first book was the Chatelaine Cookbook, published in 1965-66 in co-operation with Doubleday Book Company of Canada Ltd. Published in English and French, it has gone into its tenth printing and more than 200,000 copies have been distributed to date.

3. Although we did publish a few books on our own during the period 1965 to 1969, we were not in the book publishing business in the normal sense. We elected to co-publish books with experienced book publishers in Canada, who were responsible for the actual publishing and for sales through regular trade channels.

4. With our experience in the mail order field in magazine subscriptions, Maclean-Hunter's responsibility was to sell these books through direct mail and advertising in our magazines. Generally, these were expensive books dealing with some facet of Canadian life.

(See Appendix A).

5. We submit that without Maclean-Hunter's financial assistance and ability to generate quantity sales, many of these books would never have been attempted. We do, therefore, feel that we have made an important contribution over the past few years, not only to book publishing Canada, but also to the preservation of important aspects of Canadian life and history.

6. In 1970 we proceeded to take two important steps. The first of these was the acquisition of a minority interest in what we considered to be a promising new small Canadian book company. That company was Godfrey, MacSkimming and Bacque Ltd., who publish under the trade name of New Press, and who will undoubtedly also present a brief. Our contribution was and is limited to the financial and business side of their operations. We do not interfere in any way with the editorial decisions of the three young publishers of that company.

7. Also in 1970 Maclean-Hunter Limited rescued the Co-operative Book Centre of Canada Ltd. from receivership. This was the only large wholesaler of books operating in Canada which was not owned or controlled by foreign interests. The owners wanted their company to remain in Canadian hands, and we were invited to make an offer, which was accepted by the owners and approved by the courts.

8. We took over Co-op in November, 1970, and have invested as much money as our resources allowed in getting it back on its feet and in a position to compete with the very large U.S. firms. In doing so, we were able to retain much of the Co-op organization and at the same time make use of our own business administration facilities and improve the efficiency of the operation.

9. As we entered into the distribution end of the business, it was immediately apparent that one of the most important causes of the difficulties in the book publishing business was the lack of working capital to carry them through the period between costs of production and cash return from sales.

10. As one possible solution, we wrote to Honorable Stanley Randall, the then Minister of Trade and Development of the Government of Ontario, proposing that the Province of Ontario might consider a loan to the Co-operative Book Centre at minimal interest rates. With this fund, Co-op would pay cash for large stocks of Canadian books from Canadian publishers. This would pump a great deal of money into the industry with no risk to the government, since the loan would be backed by Maclean-Hunter. With the appointment of the Royal Commission, the matter was put into abeyance. A copy of our letter to Mr. Randall is attached. (See Appendix B).

11. Although the Co-operative Book Centre does stock Canadian books of all kinds, we are, for the reasons stated in our letter to Mr. Randall, concentrating our efforts on the elementary school libraries. Over 12,000 titles in this field are now stocked in our warehouse and a catalogue has been issued covering those titles. (Appendix C).

12. As soon as we can obtain the required financing, probably within three years, we will enlarge our facilities and stock the titles required to cover Canadian secondary school libraries and finally all books for public library use. These moves will assist the librarians

in these two areas by giving them a single source of Canadian books with complete services and with accurate and speedy deliveries.

13. The Canadian publishing industry would be helped by the infusion of the several millions of dollars required to buy and stock these books. It would also assist the industry in that it would eliminate a great deal of the "buying around" from many sources that is hurting publishers in Canada today.

14. Because of the importance of this project to both the library field and the publishing field, we hope that the funds might be made available by the Government of Ontario. We would be happy to move ahead on this quickly.

15. As the Commission is well aware, the fundamental problem facing Canadian book publishers is the relatively small potential audience available in Canada. Obviously editorial and printing costs do not shrink simply because there is a smaller potential sale for a book. The United States is a massive and largely untapped source of sales for Canadian books and one of the long term solutions to the Canadian book publishing industry problem is to make this audience accessible to Canadian publishers.

16. We have been invited to submit a plan to the Printing, Publishing and Allied Industries Division of the Department of Trade and Commerce in Ottawa and are discussing the possibility of setting up a sales organization in the United States to handle the sale of Canadian books and educational material. Such an organization would require backing from Ottawa. It is understood that the Department of Trade and Commerce

is prepared to give financial support to this export venture. A copy of our letter to Mr. Gordon E. Pallant of that department is attached. (Appendix D).

17. Maclean-Hunter Limited is acutely aware of the importance of a strong Canadian book publishing industry in this country and will continue to press ahead toward that end in the several ways we have outlined in this brief.

18. As an outgrowth of our Business Publications Division, we have recently established Maclean-Hunter Learning Materials Co. which will produce learning material for Canadian schools, emphasizing Canadian authorship and content. Maclean-Hunter Learning Materials will be submitting their own brief to this Commission.

APPENDIX A

Examples Of The Kind Of Books Merchandized by MacLean-Hunter

Chatelaine Cookbook - English and French	OVER	200,000
Adventures in Cooking		5,000
Great Museums of the World		54,000
Chatelaine Gardening Book		8,000
Bartlett's Canada		10,000
Forts of Canada		8,500
Canadian Indian		15,000
Christmas Catalogue 1970		10,500 Mixed Titles
Group of Seven		7,000
Wilderness Canada		6,300
This was Expo - English and French		35,000
The Canadians		14,000
Chatelaine Home Planning Book		5,000

/cf

COPY OF ORIGINAL

APPENDIX B

MACLEAN-HUNTER LIMITED

481 University Avenue, Toronto 2, Canada
Telephone 362-5311

November 3, 1970.

Honourable Stanley Randall,
Minister of Trade and Development,
Government of Ontario,
Queens Park, Toronto.

Honourable Sir,

Thank you for this opportunity to place before you our views on the problem confronting the Book Publishing Industry in Canada and to express to you what we believe to be the causes of these problems and a possible solution.

The Problem

Canadian Book Publishers are in deep financial trouble. That is self-evident. They are so short of cash that they cannot afford to publish the new books that they would like to publish and in many cases they cannot even afford to reprint books which they now will sell over a period of time. The situation is so serious that, almost without exception, all Canadian Book Publishers would sell out, if given the opportunity.

The Causes

There are, of course, the usual reasons such as inefficiency, poor judgement etcetera but in addition there are three causes over which the Canadian Book Publisher has no control:

1) Publishing for the relatively small market in Canada reduces Press Runs to the point that the profit per book is minimal so that the return on dollars invested is ridiculously small.

2) The current tight money situation has forced Publishing Houses to give as much as six months credit to Book Wholesalers. Thus, their working capital is reduced to almost zero and they have no money to publish new books or reprints.

3) In order to support itself, every sizable Canadian Book Publisher depends on his appointment as an Agency to sell books of other countries. Without the revenue derived from the sale of these books, Canadian Publishers

simply could not exist.

A very large percentage of the sale of these foreign books and indeed of their own books by a Canadian Publisher goes to School Libraries and Public Libraries. These are usually funnelled through Book Wholesalers who supply cataloguing and processing to the libraries along with the books. The only large Canadian book wholesaler in that business today is the Co-operative Book Centre of Canada Ltd., which is in poor financial condition and was, in effect, in receivership for about six months until rescued by Maclean-Hunter Ltd. The others are American owned and are supported by American funds generated from similar operations in the United States.

Because the Co-Op had no funds with which to stock books and because The Canadian Book Publishers had no funds to stock books and thus be able to deliver books to The Co-Op from their stock quickly, the service offered to Libraries by the Co-Op was much, much slower than that offered by the United States Wholesalers. As a result, Libraries had been turning more and more to United States suppliers who can give them the kind of service they require. Some of these orders would be sent to United States wholesalers who had a warehouse in Canada and some would be sent to United States wholesalers who would warehouse out of the United States.

This has resulted in a very significant decrease in sales to Libraries by Canadian Publishers. Books that would normally have been supplied through them to Libraries via a Canadian wholesaler are being provided directly from the United States or through a United States wholesaler with a warehouse in Canada who may be receiving books from similar warehouses owned by their company in the United States.

Because of the poor service offered by Co-Op, this trend has accelerated and if carried to the ultimate will make book publishing in Canada nearly impossible.

The Solution

Obviously, nothing can be done to correct the problem of the small market in Canada but, there is much that can be done to solve the problems as outlined under number two (2) and number three (3).

Because of its desire to support the Canadian publishing industry, Maclean-Hunter Ltd. purchased Co-Op after making an extensive survey of the market which demonstrated that, by and large, Libraries would prefer to deal with a Canadian supply house, providing adequate service was maintained. Our survey also indicated that the key to efficient service lay in the stocking of all the books required by the various Libraries. It is, therefore, our plan to increase the number of titles stocked by Co-Op from its present three thousand titles to a total of eighteen thousand titles sometime during 1971. This will serve the Elementary School Libraries only and will be of modest benefit to Canadian Publishers because we will require one hundred and twenty to one hundred and eighty (120 to 180) days credit.

In 1973, we plan to stock an additional forty thousand (40,000) titles to cover the Secondary School market and in 1975 an additional ten thousand (10,000) titles to cover the Public Libraries market.

This very long lapse of time between the implementation of phase one and the implementation of phase three could result in the demise of several Canadian publishers. Such demise would not be particularly harmful to Co-Op, since we would then buy directly from United States publishers and wholesalers. But, the death of any of the few remaining Canadian publishers would be disastrous for Ontario and for Canada.

If Maclean-Hunter had the financial resources to implement phase one on a fifteen to thirty (15 to 30) day credit arrangement, the assistance to the Canadian Publishers would be substantial. Assuming that an average of ten (10) books of each title will be stocked and that the average price of the book to the Publisher will be four dollars ($4.00) per copy, it will mean an infusion of capital into the Canadian Book Publishing world of____

20,000 titles x 10 copies x $4.00 per copy $800,000.

If Maclean-Hunter Ltd. had the financial resources to implement phases two and three now, instead of in 1973 and 1975 on the same credit arrangements, of fifteen to thirty (15 to 30) days, the assistance to the Canadian Publisher would be magnificent. Since fewer books of each title would be required for these markets, we arrive at the following equation____

50,000 titles x 5 copies x $4.00 per copy = $1,000,000.

Thus, the implementation of phase one, two and three now would inject $1,800,000 into the very life blood of the Canadian publishing industry at a time when without it that industry may well die.

The Proposal

Since Maclean-Hunter Ltd. does not have the resources to do the above, we hope that the Government of Ontario will come to our assistance. We would like to discuss with you the possibility of negotiating a low interest loan from the Government of Ontario for five years to cover a very large part of the $1,800,000 required.

We are certain that the above plan is sound and workable and we would appreciate an opportunity to discuss it with you.

Yours very truly,

GORDON RUMGAY,
Manager,
Magazine Circulation.

SEE SEPARATE CATALOGUE

COPY OF ORIGINAL

APPENDIX D

MACLEAN-HUNTER LIMITED

481 University Avenue, Toronto 2, Canada
Telephone 362-5311

February 15, 1971.

Mr. Gordon E. Pallant,
Printing, Publishing and Allied Industries Division
of the Department of Industry,
Trade and Commerce,
Ottawa, Canada.

Dear Mr. Pallant,

Just so that it will be on record, let me confirm what I said to you in our recent telephone conversation.

This company will be pleased to discuss with the Government of Canada the possibility of setting up a Distribution Centre in the United States to handle the sale of Canadian books and other printed material.

Should you wish to discuss this matter, we would be happy to meet with you at your convenience.

Yours very truly,

/cf

GORDON RUMGAY,
Manager,
Magazine Circulation.

(Since the above letter was written, Mr. Gordon Pallant visited us and a specific proposal is being prepared for submission to Ottawa.)

ONTARIO

ROYAL COMMISSION ON BOOK PUBLISHING

BRIEFS

to the

ROYAL COMMISSION ON BOOK PUBLISHING

APRIL 15, 1971

16

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

THE HOUSE OF ANANSI PRESS

APRIL 15, 1971

SUMMARY

Part One

Anansi is representative of a number of new publishing houses in English Canada. A profile and history of Anansi suggest that such houses, if they begin to succeed, are bound to face capital problems which they cannot solve on their own.

We recommend that the Province of Ontario participate in the establishment of a Publishing Development Board, or establish such a board itself if need be. The Board would be mandated to lend, invest and grant money in support of publishing. We also recommend that the Province establish an immediate line of credit for worthwhile publishing houses that are capital-starved.

Part Two

Despite rather startling signs of health in English Canadian trade publishing, the more risky forms of publishing for the general public are likely to decline seriously in the next few years.

Furthermore, trade publishing here is underdeveloped in comparison with other countries'. The major reason is the refusal of all but a few foreign-owned firms to accept their traditional responsibilities.

We recommend that the Province purchase copies of the best trade books published each year in Ontario, and deposit them in provincial libraries. We also recommend that a Publishing Development Board assist Canadian publishers to become competitive in the fields of subsidiary rights and international sales.

PART ONE. FACTS, FIGURES AND OPERATING CAPITAL.

No two publishing houses are alike, but most Canadian-owned houses have at least one thing in common—they need operating capital. In the last six years, about a dozen new houses have been started to serve the intelligent general public in Canada. An anatomy of one might illuminate their need for operating capital, since they have a number of achievements and problems in common.

Publishing Profile

The House of Anansi was formed in the spring of 1967. Since then we have published 24 books of poetry, 17 books of fiction, and 10 books of social comment — a total of 51. Twelve of these books have been reprinted a total of 22 times.

Thirty-four of our titles were the author's first book. They include four anthologies of new poets, which together presented 50 poets in book form for the first time. In the past year, we have lessened our emphasis on new authors as we received more second and third books, and as our capital mobility diminished.

In our second and third years of operation, we published up to 15 books a year and up to 8 reprints. In 1971 we have had to reduce new titles to 8 (from a planned 27), due to the squeeze on our operating capital.

When we began, we had first printings of 1,000 copies of most literary books. We gradually ran that up to about 4,000 copies, which we expect to reduce on our next list for reasons given below.

One of our books, Ruby and Copeland's LAW LAW LAW, has sold some 22,000 copies. The MANUAL FOR DRAFT-AGE IMMIGRANTS TO CANADA has sold over 60,000 copies, but fewer than 10,000 were sold through Anansi. Apart from these two, our best-selling titles (five in all) have sold about 5,000 copies each. Other books sell between one and three thousand copies.

The majority of these books sell in a 'quality-paperback' format, at prices ranging from 95¢ (LAW) to $1.95 or $2.50.

Our cloth editions sell for about $6.00, largely to libraries. Cloth and paper are normally issued simultaneously. If our cloth sales break 300 copies, we are doing unusually well.

Distribution

We distribute coast to coast, though close to 50% of our sales come in Toronto.

Until January of this year we sold outside Toronto by mailing about 3,000 catalogues twice a year. Within Toronto we visited bookstores up to once a week.

Since January we have been represented by four regional salesmen (British Columbia, Winnipeg, southern Ontario, Montreal), several of whom represent five or six independent or large Canadian publishers in their area. These regional salesmen are important to us for their contacts with libraries and jobbers, and their ability to secure re-orders.

Finances

Anansi began with capital of $2,500, and carried an additional bank loan of $2,500 for several years. For our first three years we occupied a single basement room, which rented for $40 a month, and had a staff of four, two of whom were paid.

A further $4,000 was loaned in 1969. At present we have no bank loan outstanding, and the other loan was converted into shares when we incorporated.

We have had considerable assistance from the Canada Council—a [illegible] of subsidies to individual books, averaging perhaps $600 and total [illegible] $4,000 or $5,000 a year. (We have recently argued, with other publishers, that these grants should be raised to reflect the realities of overhead costs. There are some indications that the argument has been heard.) We have also had two grants for author support from the Province of Ontario Council for the Arts, some part of which defrayed royalty expenses.

In 1969, Anansi was incorporated as a private, profit-making corporation. A good deal of capital was injected in the form of share purchases; it amounted to about one-third of our operating-capital needs. We do not, at present, have a source for the remainder.

Apart from these funds, the growth of Anansi has been financed by the sale of books to readers. Where it has been necessary, much of the subsidy of our books has come from Anansi staff, who have accepted salaries, hours and working conditions which do not compare favourably with what they might find elsewhere.

Current Gross

A publisher's 'gross sales' are the total amount he bills bookstores, libraries, etc, less the credit notes he issues for books returned. Our gross sales for 1969 were $33,000. In 1970 they were $51,000. The rapid rate of growth during our fourth year can be seen even more dramatically if we compare the 12-month gross as of March 31, 1970 and as of March 31, 1971.

[illegible] on March 31, 1970 - $[illegible]
[illegible] on March 31, 1971 - $[illegible].

This represents a growth of 209% in one year.

Cost of Growth

Taken with other things, this indicates a powerful desire on the part of Canadians to read indigenous books. It also signals the shift from a cottage industry to a small business, and—since it is probably a typical pattern for new houses which do not choose to remain in the basement—it explains why there are so many capital problems among the smaller houses.

This can be more clearly specified by looking at our overhead figures for 1970. In June of that year, our sales volume, accounting work, manuscript reading, etc, had become so onerous that we could no longer continue as we had been operating. This was the result:

Overhead: first six months, 1970—$ 8,000 per annum
last six months, 1970 —$39,000 per annum

This is a leap in overhead of almost 500%. So far as we can tell, it included no frills.

Its effect was to create an estimated loss of $20,000—$30,000 in our 1970 operation. (A full statement will be available shortly.) This compares with a loss of $1750 in the last seven months of 1969, the period following our incorporation.

Projections

When the seriousness of our operating-capital problems became apparent last fall, we reduced salaries and cut back our projected 1971 list from 27 books to 8. For 1972, we planned to publish 12 books.

---

* Figures up to January 31, 1970 have been checked but not audited by our accountants. Figures thereafter are presently being checked by our accountants.

Using a conservative interpretation of the sales curve we were on, we projected the following capital needs (including interest):

1971:	$30,000
1972:	$20,000
1973:	$25,000
	$75,000

The same projections showed us catching up with the higher overhead and beginning to break even again at the end of 1972, and able in principle to begin repaying the money at the end of 1975.

Since making these projections in the late fall, we have had several new developments:

* A fire in our warehouse reduced our net assets, by an amount which we still have not been able to fix precisely. Because of the considerable assistance we received, however, it seems that we will be able to absorb the loss without being crippled.
* On the other hand, our sales have increased much more steeply than we projected (see 'Current Gross' above). If the present trend continued, we would be breaking even early in 1972.
* Our printer is developing a method of teaming short runs of books from various publishers, at appreciably lower production costs than normally apply with runs of 1,000 or so. If this matures, we could reduce our operating-capital needs by printing books in six-month supply. Our reprints would already be financed by the time they became necessary, and there would never be as large an initial outlay as at present. We don't have a clear picture yet of how this will affect our capital needs, beyond expecting that it will reduce them.

Operating Capital

Generalizing from our experience, the need for operating capita smaller houses is created by these things:

(a) During the changeover from cottage industry to small business, [illegible] overhead expenses [illegible] over them.

(b) A dynamic publishing house will want to publish more books each year, most of which must be paid for before enough are sold to cover costs.

(c) As a house grows, the cost of keeping the backlist in print grows.

House of Anansi is an extreme case, in that we publish many books which have little chance of commercial success, and sell them at the relatively low prices which our readership can afford. Yet even Anansi, with the continuing book-by-book support of the Canada Council, looks as though it can eventually break even.

But we cannot do so without operating capital. We would probably be out of business by now if capital had not been generously supplied from a private source. And our ability to continue even on an austerity basis—to say nothing of undertaking the dozens of books and projects which interest us enormously but which we cannot touch at present—will be in jeopardy if we cannot find more capital, at rates we can afford.

RECOMMENDATIONS

(1) That the Province of Ontario co-operate with the federal government in establishing an agency mandated to lend, invest and grant money in support of publishing; or that the Province establish such an agency on its own, if the federal government cannot be persuaded to take part.

(2) That the Province provide a line of credit, at low interest rates for worthwhile Canadian houses that need to borrow capital immediately.

PART TWO. TRADE PUBLISHING IN ENGLISH CANADA

The problem of operating capital is the largest single difficulty facing most Canadian-owned houses. Moving beyond it, one encounters a series of more specialised problems. We find it difficult to assess which are problems that cannot be solved, which could be solved by publishers' action, and which require government action.

We propose to set out one large problem in the field of trade publishing, and to suggest a solution.

Trade or general publishing includes all the books one can find in a general bookstore. It takes in literature, biography, popular history, how-to books, children's books, social criticism, etc. The quality of trade publishing in a country is one index of that country's health.

From one point of view, English Canadian trade publishing is in surprisingly good shape. Many worthwhile books are being brought out, and they sell in quantities which compare very favourably with those in England or the United States: although our English-speaking population is only one-third and one-fourteenth of theirs respectively, sales of a first edition here are seldom less than one-half of sales for a comparable book in the other two countries, and often enough reach the same absolute figure.

From another point of view, trade publishing is in very rocky shape in English Canada. To begin with, the absolute quantities involved are usually so low in all three countries that many worthwhile books

[illegible] when they are first published. Furthermore, [illegible] tionately high, because of our geography and our status as a cultural satellite of the United States. And we largely lack the subsidiary revenue—through serialization, films, paperback sales—which make hardback trade publishing a viable loss-leader in other countries.

The situation is made even trickier because the two chief props of English Canadian trade publishing—educational publishing and agency selling—are both in trouble. Since they have long supported trade programmes at many publishing houses, their decline is bound to affect the trade area.

It is realistic to expect, therefore, that all the riskier forms of trade publishing will decrease in the next few years. At the very least, it is unlikely that they will keep pace with the rapidly growing interest shown by English Canadian readers in books that grow out of their own lives and concerns. Given our various national dilemmas, this will be a very serious failure.

If the future of higher-risk trade publishing looks bleak, an even more troubling light is thrown on its present state by an examination of the performance of foreign-owned houses. The statistics which follow are narrowly based, and cannot do more than suggest a pattern. But if the pattern is anywhere near accurate, we have to conclude that all but a few foreign publishers are using Canada exclusively as a place to make a dollar as quickly as possibly, and are failing to live up to any of the broader responsibilities which publishers [illegible] accept.

The Ernst & Ernst Report studies (among other things) of Canadian publishers in 1969. The "Letters in Canada" section the University of Toronto Quarterly (July, 1970) lists the new Canadian titles for 1969. Using these two sources, we can draw comparisons between the gross and the trade programmes of publishers owned in Canada, England, and the United States.

Publishers' Gross

In 1969, an "estimated $222.0 million of books (at publishers' sale value) were consumed by Canadians." (Ernst & Ernst, page 1) Of this total, $192 million was accounted for by English-Canadian publishers (18).

The report appears to give differing accounts of who grossed what. One such account is the following: "If pure publishing activity is considered the Canadian, United States, United Kingdom ratio is calculated to be 19-59-22. Over 80% of publishing done in (English) Canada is done by foreign controlled firms." (36)

A sensible definition of a Canadian publisher might be one which is owned in Canada and has at least a minimal list of Canadian books. Using that criterion, we suspect that the 19% figure for the Canadian gross is high (many agencies which do nothing but import foreign books are owned in Canada). However, although these figures probably maximise the gross of the Canadian firms unrealistically, let us adopt them. They yield the following figures:

	Dollar Gross	Per Cent
American-owned firms	$113,280,000	59%
British-owned firms	$ 42,240,000	22%
Canadian-owned firms	$ 36,480,000	19%

[illegible]

[illegible] of our own 1969 poetry books were not included. But we have used it data unamended. Since most of the omissions are likely to be from lists of small publishers, which are exclusively Canadian, these figures probably present the foreign publishers' percentages in an unrealistically favourable light.

On the other hand, we have drawn our figures only from the first two sections of "Letters in Canada"—those dealing with poetry and fiction. These are the suicide sectors of trade publishing, and it is possible that foreign-owned houses perform better in the areas where the risk is not so high.

The 'selective breakdown' in each category notes the highlights; percentiles do not total 100.

ENGLISH-CANADIAN FICTION TITLES PUBLISHED IN 1969

23 new books were released in 1969.

	Number of titles	% of all titles	% of 1969 [illegible]
American-owned houses	0	0	59%
British-owned houses	3	13%	22%
Canadian-owned houses	20	87%	19%
Selective breakdown			
American	0	0	59%
Macmillan	3	13%	
All other British	0	0	
Anansi	7	29%	.01%
McClelland & Stewart	6	25%	
Clarke Irwin	4	16%	

NEW ENGLISH-CANADIAN POETRY BOOKS PUBLISHED IN 1969

44 new titles are listed. They include both chap-books and full-l books.

	Number of titles	% of all titles	[illegible]
American-owned houses	1*	2%	59%
British-owned houses	4	9%	22%
Canadian-owned houses	39	88%	19%

Selective Breakdown

American-owned houses	1*	2%	59%
Macmillan	2	4.5%	
Oxford	2	4.5%	
All other British	0	0	
McClelland & Stewart	6	14%	
All new or 'independent' Canadian houses	23	52%	

* This title was apparently released by a vanity press in New York.

In 1969, Canadian houses with one-fifth of the total gross publishe 20 new fiction titles. A simple-minded person might expect that there would therefore be 100 new fiction titles in 1969. Why were there only 23? Because all the American houses—with a combined gross of $113 million—apparently did not see fit to publish a single novel or book of short stories by a Canadian; and because all the British publishers but Macmillan followed suit.

That this expectation is not unrealistic is demonstrated by recent research at New Press. They report that in 1969 there were 600 new fiction titles published in Britain, and 1,000 in the United States. On the basis of relative anglophone populations, we should have published 70 new novels to keep pace with America, and 200 to keep pace with the United Kingdom. This means that the Canadian-owned hous

publishing fiction titles at the rate of 100 a year, did better than their counterparts in the States but less well than those in Britain. Generally speaking, the shortfall is not due to them.

The Canadian public is being shoddily served in the area of trade books: a remarkably small number of indigenous titles get published. After noting that Macmillan and Oxford are honourably out of step with their colleagues, we have to say that the chief reason is the abysmal failure of foreign-owned publishers to accept their responsibilities. Their chief responsibility is to risk, on talented Canadian writers, a few of the millions of dollars they have grossed teaching Canadian school-children to venerate Abraham Lincoln. This they have not done.

RECOMMENDATIONS

(1) That the Province of Ontario institute a scheme for purchasing several thousand copies of the best trade books published each year in Ontario, and deposit them in public and school libraries across the province. This would rationalise the economics of publishing these books, find them more readers, and act as an incentive to all publishers.

(2) We are convinced that the Canadian publishers now on the scene can out-publish IBM, Xerox, RCA Victor and our other listed visitors when it comes to Canadian books. And in any case, if the foreign-owned firms begin to recognise the resentment which their behaviour is causing, the most likely result will be a spate of tokenism—one or two new Canadian titles a year from firms grossing three, six, ten million dollars.

But it remains true that these firms have more capital for long-range projects and authors' advances, and usually have better contacts for foreign publication, paperback rights, etc. In the event that any of them discover that Canadian writers are as talented (and sometimes as saleable) as their counterparts elsewhere, they will have the advantage of their head offices' muscle power.

If and when a Publishing Development Board is created, it should be empowered to help Canadian houses compete, by international standards, with foreign houses which come into trade publishing late and grudgingly, but well-heeled. This would mean taking a hard look at the mass paperback industry in Canada; it could mean helping develop a consortium for foreign sales.

A[illegible]Y

The notes which follow were prepared for the conference on publishing which the Secretary of State convened recently in Ottawa. They are somewhat scrambled and informal, since they were our first essay at much of the material. We include them here because they go into considerably more detail about several of the recommendations in this brief.

Anansi

These notes are an attempt to get beyond the description of publishers' problems, and into the mechanics of conceivable solutions. In their detail they refer to trade or general publishing in English Canada.

A FUNDING AGENCY

It looks as though some kind of funding agency is needed. Leaving aside the philosophical justification for its existence, and leaving aside most questions of structure, it is worthwhile trying to say what it might do and how. I find the question easiest to attack by asking first, what kind of assurances the agency would ask for in making money available. This determines three 'general uses' for its money.

General Uses

1. The agency lends money with the assurance that it will get it back, preferably soon and with good interest. It then re-circulates this money. For this use, little more than quantitative criteria need to be applied.
2. The agency lends (or occasionally grants) money for the purpose of strengthening the whole situation within which writers, publishers and readers operate. This will often but not always mean that publishers are the immediate recipients. Ideally it gets all its money back, as quickly as possible and with interest if possible; but it puts the 'strengthening' effect ahead of the financial return, and is willing to drop at least part of its investment. For this use criteria have to be a mixture of quantitative and qualitative, since it is better to lose money on a project which will strengthen our literate culture than on one which will not; and better to lose it on a worthwhile project than on a worthless one.
3. The agency helps to fund writing/publishing/reading projects which will furnish conspicuous examples of Canadian excellence, without the assurance that any of its money will return. The justification would be that a given project was intrinsically worthwhile by its quality and/or general interest; and further that by giving Canadians greater reason for pride in their writers, or by winning them acceptance abroad, the project might help other things to pay their own way later.

Each of these general uses is important. What is important is to sort out their relative priorities (the CFDC might be less embattled, and more functional, if it had done so clearly from the beginning). My own feeling is that (2) is the most important.

One might go so far as to devise a model breakdown of the agency's budget. Ideal

[illegible]

The next problem is to anticipate the specific uses for which applications might be made. In practice they might be sorted into general uses 1, 2 and 3, and after that sorting was done the applications within each 'use' would be assessed by criteria relevant to that use.

Specific Uses

1/ Long-term loans for operating capital. These would be used to consolidate debts, finance expansion, or simply to keep on an even financial keel.

2/ For research and development, particularly to back up educational publishing. Loans or grants in this area could go to individual publishers, consortia, or neutral agencies which would make their findings available to all publishers.

3/ To finance the reprinting of specific titles on a publisher's backlist, where loans under (1) were not available or not sufficient.

4/ As seed- or loan-money to support co-operative ventures by publishers (exports, shared promotion or marketing, translation agencies, support of trade organisations).

5/ Loans or grants to book-oriented projects (a national book review, a seminar on publishing for a group of native people, etc).

6/ Grants to assist very costly money-losing books which come under the Canada Council's mandate, or other important but money-losing projects (the Dictionary of Canadian biography; a series of art books; a translation series).

7/ Continuation of Canada Council grants for individual artistic books which will probably not make money.

If these were recognised as legitimate things to fund, and if the principle of sorting them into low-risk, high-risk and utter-risk funding was accepted, the next problem is to decide what criteria would be applied within each general use category.

Before proceeding to that, one point cries out to be made. Legislation covering all this cannot be drawn up overnight. Item one (loans for operating capital) must be broken off from the others and implemented immediately — yesterday if possible — or the whole exercise will be a sad anti-climax to the history of English-Canadian publishing.

Criteria

Items 1/ and 3/ above come under general use (1), as might specific proposals falling elsewhere. Within the general spirit of the whole project, many applications would be made which could be approved on straightforward financial grounds — provided that it is recognised from the outset that the financial

realities of publishing are different from those thatapply in most other fields where objects are manufactured. The criteria of the IDB or the banks would have to be scrapped, and sober criteria developed from within our publishing situation; they would have to include inventory and dynamism as assets.

For general-use categories (2) and (3) — where money was being risked in the knowledge that some of it might not come back, or where it was effectively a subsidy — it is not fruitful to set down criteria here. What is important is that a mixture of practicality, sophistication, and an eye for [redacted] excellence be applied. This depends on the people involved, provided that they have a sane and flexible mandate.

There are several principles that can be worked out in this area, however. The first would be used when applications are made for the support of individual publishing houses, and the applications seem to have roughly equal merit. In that case there should be a descending scale of priorities, as follows. The reasons for this scale are clear from the later section, "Canadian Publishing in 1969."

Priorities Among Publishers

'Equal' applications for loans or grants to individual publishing houses should be sorted into this descending scale of priorities:

1) Canadian-owned houses that have already demonstrated competence and achievement, and have already made serious contributions to Canadian writers, readers (and students, where relevant).
2) Foreign-owned houses that fulfil these criteria.
3) Canadian-owned houses that are competent, and propose to begin making serious contributions to Canadian writers, readers (and students).
4) Foreign-owned houses that fulfil the criteria in 3).

This scale raises another question immediately.

What Is a Canadian-Owned House?

The new, still-unbaptized trade association of Canadian-owned houses spent a good deal of time on the question. In its draft constitution, it decides that a Canadian-owned house is one which:

a) has its chief office of business in Canada

b) has its effective editorial, managerial and financial control in the hands of persons whose permanent legal residence is in Canada, and its ownership substantially in the hands of persons of Canadian domicile

c) has made an important part of its business function the publishing of original Canadian books.

The association recognized the presence of such ambiguous words as 'effective,' 'substantial' and 'important', but considered that they could be interpreted responsibly and in good faith.

Stimulating Trade Publishing

The long-range goal of this agency should not be simply to give aspirins to publishers, but (among other things) to help see that more good Canadian

[illegible] measures to a situation which no one understood clearly, the Council has done an exemplary job. But it is doing that job within an overall situation which makes many of its efforts seem futile.

On the one hand, creative trade publishing is done in Canada by a handful of houses which tend to be poverty-stricken to the extent that they take their responsibilities to the literate public seriously. The Council is performing band-aid work by making book-by-book subsidies, while many of these houses are close to extinction because of their larger financial dilemmas.

On the other hand, the firms that are making the big money by publishing in Canada are in almost all cases refusing to have anything to do with risky trade publishing, where their gross might be reduced from 6 or 8 million a year to 5.9 or 7.8 million.

That considered, it is no reflection on the Council's remarkably good execution of its job within the existing ground rules, to insist that those ground rules must be drastically changed. The change which has been recently urged — that grants to individual books that deserve to be published but which will not pay their way should be recalculated, so as to include much more of a publisher's overhead in the book budget — is important but still very inadequate. (It would, incidentally, raise the average grant for a book of fiction or poetry from $500-700 to somewhere over $2000).

Sales and promotion mechanisms for the houses that are doing well by trade books can certainly be strengthened. But in my view it would be a drastic mistake to insist that all these houses must pay their way by turning themselves into something they are not, don't want to be, and would likely both be bad at and lose their reason for existence in becoming: successful commercial houses that pay for the good books by doing mediocre books.

A Tax Mechanism

While I cannot sort out the details, I believe that a carrot-and-whip technique might work in wrestling with both the problems given above, and might be applied through taxing policy with publishers.

Such a policy would begin by establishing the proportion of total gross accounted for, in the case of each publishing house that operates in Canada, by original Canadian trade publications. According to the range into which that proportion fell — 0%, 1-10%, ... 90-99%, 100% — a different tax scale would be applied in calculating the company's tax payment.

While the idea is initially startling, it should be punitive in the lower ranges — raising the tax rate slightly higher than it would otherwise be — and should pass into payment of negative taxes (subsidy) in the upper ranges, if the publisher had lost money while publishing a basically Canadian list.

There are important refinements that would have to be worked out; one might calibrate the trade list and the textbook list for instance, though I believe that the general cultural needs of the country justify weighting the trade list more heavily than the text, since publishers (rightly or not) need no financial incentive to publish in the textbook field but frequently need it to do trade books. One would also have to face squarely the theoretical issue of an all-Canadian list which was both worthless and money-losing. I would, myself, make no distinction between Canadian-owned and foreign-

owned houses in applying this graduated-taxation plan.

The great benefit of this plan is that it would (a) encourage McClelland and Stewart and Random House to take their responsibility to the general Canadian reader seriously, and (b) allow for support of houses committed to Canadian writing and reading, without suffocating under a flood of individual manuscripts to be assessed (which, I predict, are going to bring the writing division of the Council to near-impasse within three years if Canadian publishing survives).

Interest Rates on Loans

Examining the tables on pages 33 and 74 of Ernst and Ernst, it is clear that many publishers — probably the great majority of those which publish Canadian — cannot afford current interest rates. It is possible that most Canadian-owned houses cannot really afford to pay interest at all, at least not until they have had the chance to put new loan capital to work for a year or two.

The problem is to meet two criteria: if a loan is made to a good publisher, it should not cripple him with interest; but if he does well, the public should get a fair return on its money. The problem is emphasized because we are probably talking about long-term loans, which normally have a fixed interest rate which would almost certainly produce one of the two inequities.

It might be reasonable to make loans interest-free during their first twelve months, and then to start interest at 3% and run it up ½% per year thereafter till it reached 8%. An alternative would be to review an initially low rate every three years, on the basis of financial performance. In any case where this kind of treatment was being given to a publisher, he should have to demonstrate that there was good reason why he found the higher rates impossible to carry.

Financial Records

Many of the remaining Canadian-owned houses are new and small, and in some cases they are extremely informal. It is important to see this as neither noble nor heinous in principle, but simply the way things are.

Most of the new houses do not have adequate financial records going back to their inception, and a few will never be able to produce audited books. Without accepting dishonesty or sheer muddle-headedness, the financial officers of this agency should be prepared to accept that financial responsibility in a small house may consist of being willing to work for $40 a week and subsidize important books that way, rather than having the skill and patience to set up a good book-keeping system and run it. On the recommendation of a qualified body, such as the Canada Council, allowance should be made for these things in assessing the financial records of certain houses.

Who Runs It?

One of the 284 questions is how you set this agency up. My first conviction is that when alternatives have been roughed out by the government, they should sit down and listen to the comments of publishers on each one, and then make up their mind. Not knowing all the legal possibilities, it is difficult to see the various ramifications — which are probably more important to most

publishers than are questions of principle about crown corporation vs. new government agency vs. existing government agency.

My remaining strong conviction is that where qualitative assessment of publishers or individual projects or books is called for, I feel much more confidence in the ability of the Canada Council to make sane decisions than I do in the ability of financial officers brought over from the department of national revenue. The Council might have to accept a departure from its present commitment to scrutinizing everything in advance, since that makes any long-range budget or funding impossible. If it would accept that, it should be decision-maker or advisor on qualitative judgments.

One possible structure would be to set up a publishing development corporation funded independently, and create an overlapping decision-making structure with the Council. In theory, decisions in general use (1) could be made with no more than formal notice to the Council, whereas decisions in general uses (2) and (3) would call for voting participation from Council representatives.

Forgivable Loans

This section is out of order; it should have appeared on page 2 or 3.

There has been some talk of 'forgivable loans' among publishers, usually without understanding just what they meant. As I understand it, a forgivable loan is a loan made by a Canadian government to an American branch-plant; if the company succeeds in creating a specified number of new jobs in the area it is locating in, part or all of the loan is forgotten.

This notion has basically no application to Canadian publishing.

However, some comparable principle is needed to implement general use (2); indeed, that usage simply consists of enunciating the principle that some of the money advanced need not be returned if the project is good but doesn't recoup its expenses.

The model called for is more like that used by the CFDC, which 'invests' in individual films on the basis of how much skin they promise to show, and recoups its investment in the same way as any investor does. It might get back nothing on the dollar in some cases, 50¢ or $1.00 on the dollar in others, and — if it is mandated this way — $1.50 on the dollar in still others.

The agency we are discussing should be mandated then to make high-risk investments in Canadian publishing and related fields, with the discretion to ask: a) is it a sound investment? b) can the people do what they say they can? c) if they do, will the result be to strengthen Canadian publishing and/or improve the cultural climate in Canada? d) is the project in any case a worthwhile one?

By breaking down investment into uses (1), (2) and (3), we would be allowing the agency to invest certain proportions of its funds without having to have affirmative answers to all four questions.

CANADIAN PUBLISHING IN 1969

Using the Ernst & Ernst report and the "Letters in Canada" section of the University of Toronto Quarterly (July, 1970), it is possible to make some very rough comparisons between the gross of Canadian publishers in 1969 and their trade publishing in the same year. The figures are not precise, but they are interesting.

Gross among Publishers in English Canada

In 1969, an "estimated $222.0 million of books (at publishers' sales value) were consumed by Canadians." (Ernst & Ernst, p. 1) Of this total, $192 million was accounted for by English-Canadian publishers. (18)

One of the most infuriating things in this generally infuriating report is that it makes it impossible — so far as I can understand it — to establish who grossed what. The figures I adopt here come from this statement: "If pure publishing activity is considered the Canadian, United States, United Kingdom ratio is calculated to be 19-59-22. Over 80% of publishing done in (English) Canada is done by foreign controlled firms." (36) While I enjoy the enigmatic reference to pure publishing activity, I suspect that this does not mean that Canadian-owned firms grossed 19% of the total; and it most certainly does not mean that Canadian-owned firms with even a minimal record of publishing Canadian books grossed 19%. (Many agencies which do nothing but import foreign books are owned in Canada.)

However, let us pretend that Canadian-owned houses grossed 19% of the $192 million in English Canada. We arrive at these figures:

	Dollar gross	Per cent
American-owned firms	$113,280,000	59%
British-owned firms	$ 42,240,000	22%
Canadian-owned firms	$ 36,480,000	19%

(Working out these figures at Anansi, we were delighted to discover that our 1969 gross of $34,000 represented .018% of the total.)

Trade Publishing in English Canada

To assess the degree of responsibility shown by houses owned in various countries, we broke down the books of fiction and books of poetry listed in the UTQ as having appeared in 1969. These figures are not entirely trustworthy; we found that three of our own poetry books were omitted, for example. Since the omissions are most likely to be from the lists of small publishers, all of which are Canadian, the Canadian percentages are in fact higher than shown here, and the foreign-owned lower. But this table uses the UTQ data unemended.

Where the second breakdown is given in each category, it merely selects highlights; percentiles do not total 100.

New English-Canadian Fiction Titles Published in 1969

23 new titles were published in 1969.

	Number of titles	% of all titles	% of 1969 gross
American owned houses	0	0	59%
British owned houses	3	13%	22%
Canadian owned houses	20	87%	19%
Breakdown			
American	0	0	59%
Macmillan	3	13%	
All other British	0	0	
Anansi	7	29%	.018%
McClelland & Stewart	6	25%	
Clarke Irwin	4	16%	

New English-Canadian Poetry Titles Published in 1969

44 new titles are listed; they include both chap-books and full-length books.

American owned houses	1*	2%	59%
British owned houses	4	9%	22%
Canadian owned houses	39	88%	19%
Breakdown			
American-owned houses	1*	2%	59%
Macmillan	2	4.5%	
Oxford	2	4.5%	
All other British	0	0	
McClelland & Stewart	6	14%	
All new or 'independent' Canadian presses	23	52%	

* This title was apparently released by a vanity press in New York.

While I stopped after tabulating the books in the first two sections of the UTO, it is probable that the percentiles for foreign-owned houses would be higher in some other areas of trade publishing.

A Mini Ernst & Ernst

It would be worthwhile to undertake a report on Canadian publishing. In the absence of such a report, a few random statistics on the trade field might be interesting.

There were 23 new fiction titles published in English Canada in 1969. In the same year, according to research done at new press, there were 600 new fiction titles published in Britain and 1000 in the United States.

Our English-speaking population is roughly one-third that of Britain, and roughly one-fourteenth that of the States. Using these criteria, we should have originated over 70 new titles to keep up with the States, and some 200 to keep up with Britain. Since most of them would have been junk, I'm just as glad we didn't. But surely there is a median between decent reticence and colonial taciturnity. And the problem, as any press which publishes fiction should be able to attest, is not the absence of interesting fiction manuscripts.

Interestingly enough, the sales of an original Canadian book in its first edition run somewhere between 50% and 80% of what a comparable book might sell in either of the other major English-speaking countries. Canadian figures in most cases run between 1000 and (say) 4000, as compared with a mean range between 1500 and 6000.

These are rough figures. But they mean that while we publish a disproportionately ~~xxxxx~~ low number of new trade books, Canadian readers buy a disproportionately high number of copies of each book. Considering the relative populations, the figures are quite astonishing. They could be explained by the incredible literacy of Canadians, or by the smaller number of indigenous titles available. Using no figures whatsoever, I tend to explain them on the theory that writer-reader relationships reach a kind of critical mass which is more or less constant from country to country. (This critical-mass theory deals only with the production of ongoing new work. It is clear that a people's literature affects it greatly over a period of decades, because of inclusion in school anthologies, increasing publicity as a writer matures, library borrowings, etc.)

The reason Canadian trade publishers have difficulties does not relate so much, then, to having a lower initial readership than in other countries. It is partly a matter of the costs of distributing and promoting books in this insane country. It is partly because trade publishing has to be supported elsewhere for most publishers in most countries, and in Canada the two traditional supports — textbooks and imported books — have recently gone haywire.

But it is also a matter of Canadian books seldom going beyond sales of 5000; two or three books a year taking off (in cloth) into the 50-60,000 bracket will support alot of other trade books in America or England. It would here too, but the media which promote sales of that kind are mostly full of American books.

It is also because of the Canadian publisher's impotence when it comes to subsidiary rights. Most American cloth trade books are published on the gamble that a few of them will sell well in paperback, and/or make it to the movies. Because we have virtually no access to our own paperback racks, and because we have only a fledgling feature film industry, most Canadian trade books

never emerge into the subsidiary lucre that their counterparts elsewhere have at least a distant chance of reaching. That affects the economics of Canadian trade publishing dramatically.

It would be easy to call for a fiat, "Let there be movies, let there be paperbacks." But the thing isn't easy. One of the first responsibilities of a publishing development corporation should be to investigate the paperback situation. Conceivably a quota system comparable to the CRTC's should be introduced for our paperback racks. But the issue is a problematic one; without access to the American racks we may never reach the economies of scale (given the enormous wastage involved) that make the thing feasible. And the movie situation, while perhaps more hopeful in the long run, cannot be legislated into co-operation.

Other Action to Take

1. The first priority on public money has to be for operating capital for good Canadian houses that are close to the brink.

   As soon as that is done, a PDC should also look seriously at the possibility of a national review of books. It could change the reading mentality of the country (though one should note the significant changes in policy at the Toronto Star and Montreal Star, and to a degree at the Globe and Mail and Maclean's, where indigenous books are at last getting rational amounts of review space).

   A PDC should know that two interesting projects are underway. In Toronto, a group that includes Val Clery, Jack Jensen, Randy Ware, Doug Marshall and Marylou Toms is well on with the project of a national book review, to appear once a month in ~~peak~~ off-seasons and twice a month in peak seasons. The first issue is scheduled for July, to enable them to get the kinks worked out before the fall lists arrive. The review aims first at a popular market, presenting Canadian books impartially but probably not in great critical depth to a wide literate readership. It could be of enormous importance to Canadian books.

   The second proposal, which is less advanced so far, is by David Helwig, the poet, short-story writer and professor at Queen's University, Kingston. He is thinking, given the other proposal, of a more heavyweight and less topical periodical, to appear four or six times a year perhaps in tandem with Quarry. It takes only a little reflection to see that it would not overlap with any existing paper (it would be all reviews, all of contemporary books, and would allow for more length and more individuality than would the other).

   These two proposals, if both came to fruition, could complement each other splendidly (and might even join forces eventually). Both are being contemplated by people prepared to dive in on their own; with both, a PDC should be prepared to ensure that the first year particularly kept them solvent if they did a good job.

2. Support to trade organisations. It goes without saying that the Conseil Supérieur du Livre should be supported. The existence of two trade organisations in English Canada raises something of a problem for a PDC (and for the Canada Council). Either group should feel free to support the Canadian Book Publishers' Council, if it can be convinced that they are using their money wisely in that way. (The 1969 figures raise some good questions.) There would be no justifiable reason for not supporting the new organisation thoroughly, however; its members have better records right across the board than all but a few members of the CBPC as Canadian publishers, and it

is already assured of greater co-operation from the Conseil Supérieur than the CBIC has achieved in its whole existence. The new outfit will have starting-up pains and expenses to which government bodies should be sympathetic. They should be particularly aware that the new group's ability to move beyond lobbying into trade co-operation in the interests of Canadian books will be governed almost entirely by its bank account.

3. Charitable incorporation. Some publishing houses might choose to incorporate as charitable or non-profit corporations, and their applications might well deserve to be taken seriously. If they were willing to forego future profits, and if they had no ideological difficulties with the idea, this would have the great advantage of enabling them to tap the private and corporate goodwill towards Canadian publishing (using tax-deduction slips as an incentive), which would in turn reduce the amount of capital a PDC was called upon for.

The government should declare whether such a form of incorporation would jeopardize investment or grants it is contemplating; and whether it would be willing to assist by speeding the consideration of such applications in Ottawa, in all but the substantial aspects of the application.

Dennis Lee
House of Anansi

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

FESTIVAL EDITIONS OF CANADA LTD.

APRIL 15, 1971

March 15, 1971

BRIEF TO

ONTARIO ROYAL COMMISSION ON PUBLISHING

Presented by:

FESTIVAL EDITIONS OF CANADA LIMITED

FESTIVAL EDITIONS OF CANADA LIMITED (hereinafter called the Company), was incorporated in 1969 under the laws of the Province of Ontario. The purpose of the Company is to publish low-cost paperback editions suitable for adoption as supplementary texts for English literature courses in Canadian schools, primarily at Secondary school reading levels.

Canadian school purchases of popular-priced paperback editions have increased rapidly during recent years, as have the number of suitable titles available for school use. In 1963, Paperback Books in Print listed 22,000 titles published in the U.S.A. By 1971, this number has increased to 88,000 titles!

Our Company estimates that Canadian schools purchased over 4,000,000 paperback editions in 1970, the majority of which were used in Canadian school literature courses. Ontario schools in the same year purchased 50% or 2,000,000 of this total. This large proportion used in Ontario can be attributed to several influences:

(1) The Ontario Department of Education has a liberal policy on usage of supplementary literature texts, as compared to departments of education in other provinces.

(2) The majority of Ontario teachers of English prefer using paperbound editions because of acceptance by students, wider choice of titles to schedule on courses, and a low cost which enables boards of education to make considerable savings in budgets.

(3) School Boards to-day, in many areas, are finding it advantageous to purchase low-cost paperbacks (net price .50¢ to $1.00) and give them outright to students in order to save administration, storage, rebinding, replacement and write-off costs (usually 33% per annum). These costs for each hardback book issued, far exceed the cost of a low-priced paperbound edition.

The purchase of paperbound editions as supplementary texts has also been endorsed by the Ontario Department of Education in its Circular 14. We quote from the 1969 edition:

> "In the subject areas in which no books are listed in Circular 14, it may be decided locally to adopt paperback editions, for example in certain areas of English literature. Because of the low cost of such books it may be more economical to give them to the students."

The Company also estimates that of the 4,000,000 paperback editions purchased in 1970 by Canadian schools, <u>less than 10% were printed and published in Canada</u>. The vast majority of purchases were for U.S. editions, published by mass market publishers. This preponderance is due to the much wider selection of suitable titles and authors, the lower net cost per book, and the large scale, sophisticated* advertising and promotion campaigns used by U.S. market publishers aimed at teachers and schools: As an example of the latter, the Spring 1971 edition of "<u>Teaching Aids Digest</u>", a Canadian publication, lists six book publishers as advertisers, of which all are U.S. mass market paperback publishers!

Canadian trade publishers to this date have not attempted to compete in this fast-growing Canadian school book sales market for reasons as itemized below:

(a) They are traditionally hardback publishers and find it more profitable to publish higher-priced editions suitable for supplementary textbook adoptions.

* SEE ENCLOSED SAMPLES OF MASS-MARKET PAPERBACK PUBLISHERS' SCHOOL CATALOGUES

(b) Their publishing programs are oriented for the most part toward "prescribed" textbooks.

(c) They are aware that Canadian teachers up till now have preferred adopting U.S. and British authors on English literature courses.

(d) They do not publish editions for the "mass market" outlets in Canada, as these are dominated by U.S. publishers. Thus they cannot produce competitive mass-market Canadian editions.

Our Company is presenting this brief to make the Commission aware of the dominating role played by *foreign-published paperback editions on Canadian school literature programs. Our Company, with limited capital at its disposal, is publishing low-cost paperback editions, comparable in price and quality to imported editions, for sale to Canadian schools.

In our first year of operation, we have published three titles in the *Festival Editions of Shakespearean plays - THE MERCHANT OF VENICE, JULIUS CAESAR, and ROMEO AND JULIET. These plays are edited by Canadian teachers, are unique in that they include actual Directors' stage notes and are all based on actual productions from Canada's Stratford Theatre. Our publishing program calls for two additional plays per year, until all the major Shakespearean plays are published. If this program is successful, we intend to branch out into other fields of school literature such as Canadian short stories, novels, poetry selections and original Canadian works.

Our first year's sales were disappointing, despite an expensive advertising and promotion program, and indicate that it will take three to four years before we break-even on our first three titles published. It is doubtful if we will be able to continue publishing in three years' time unless more support is obtained from Canadian schools and teachers.

* See APPENDIX A

The Company submits that the Commission can help all-Canadian publishing ventures such as ours by making Ontario educators aware of our aims, purposes and existence, and by recommending to these educators that in their purchasing programs they give us preference over foreign-published, competitive editions.

Respectfully submitted by:

Elliott J.Grant, President

Tom Patterson, Director

John Stevens, Director

H.Lipton, Director

M.Grant, Director

H.Grute, Director

FESTIVAL EDITIONS OF CANADA LIMITED.

APPENDIX A. (See items marked * on Page 3)

(a) FOREIGN PUBLISHED PAPERBACK EDITIONS

Examples of mass-market editions of titles that are extremely popular on Canadian school literature programs, and are purchased in large quantities each year follow:

NOVELS: To Kill a Mocking Bird (Lee) - Popular Library edition @ .95¢

The Pearl (Steinbeck) - Bantam Edition @ .60¢

Huckleberry Finn (Twain) - Several editions @ .50¢

Catcher in the Rye (Salinger) - Bantam edition @ .95¢

Brave New World (Huxley) - Penguin edition @ .85¢

Loneliness of the Long Distance Runner (Sillitoe) - Pan edition @ .85¢

SCIENCE FICTION: Fahrenheit 451 (Bradbury) - Ballantine edition @ .75¢

Flowers for Algernon (Keyes) Bantam edition @ .75¢

The Time Machine (Wells) - Pan edition @ .75¢

The Chrysalids (Wyndham) - Penguin edition @ .85¢

PLAYS: The Crucible (Miller) - Bantam edition @ .95¢

15 American One-Act Plays (Kozelka Ed.) - W.S.P.edition @ .75¢

The Miracle Worker (Gibson) - Bantam edition @ .75¢

Pygmalion (Shaw) - Penguin edition @ .65¢

Raisin in the Sun (Hansberry) - Signet edition @ .75¢

SHAKESPEARE: Several Editions, WASHINGTON SQUARE PRESS, PELICAN, SIGNET, DELL, BANTAM, AIRMONT - priced .50 to 75¢.

(b) FESTIVAL EDITIONS - Are described herein as follows:

1. Per descriptive sheet - APPENDIX B following.

2. Per enclosed sample copy of ROMEO & JULIET.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

WINDEMERE RELEASING COMPANY

APRIL 15, 1971

BOOK PUBLISHING IN CANADA

FOR PURPOSE OF THIS BRIEF: Submitted by
M.I.Walker, Pres.
DOUGLAS PUBLISHING & PRINTING COMPANY

* * *

PREPARED FOR: THE ROYAL COMMISSION ON BOOK PUBLISHING IN CANADA
SUBMITTED AND PREPARED BY: M.I.Walker, Writer, Producer, Director, Publisher

*** PAIMAR PRODUCTIONS ENTERPRISES LIMITED
* DOUGLAS PUBLISHING & PRINTING COMPANY
* WINDEMERE RELEASING COMPANY (films & books)
* GARABALDI BROADCASTING COMPANY

*** 100% Canadian-Parent company
* Subsiduary companies

Enclosures:
Pro Forma & Appendix "A"
Printed matter, etc.

M.I. Walker
Box 144,
Postal Station "G"
Toronto, Ontario.
964-0058

BOOK PUBLISHING IN CANADA

RESUME

by

M.I.Walker

Book Publishing in Canada has to everyone's knowledge been a nebulous commodity. In this technological era it is even more so, and at a time when it is absolutely vital that it serve our needs instead of being a hit and miss affair in so many areas of our living.

It is not our intention to refer to the past anymore often than it is necessary to indicate that which is wrong with the Book Publishing Industry in Canada; to suggest what could be done about it; to show why Book Publishing in Canada was, and is, a 'name only' industry (there are those who yet feel because we publish a few titles a year that we already have an industry) as well as how to protect our fledgling beginnings, the nuclei of a Nation that has "arrived."

We are a nation whose publications reflect and moreover promulgate the illustrious heritage of every nation but our own; who use the voice and idiom of another nation or nations to express that heritage; who have unwittingly or cowardly, whichever is the view of the reader, been content to accept in

the written word and concept, that we are a nation of "stunned goats," completely illiterate and needing a " mouthpiece" to use the vernacular,which my, and immediately preceding generation have been fed from dawn to dark, in school and out of school; in the business world, 97.5 % owned and operated in the colloquialism of the country that owns the company or corporation; in radio; our daily newspapers (some part of which is I believe yet Canadian) and our largest communication mediums the feature motion picture, television and of course Book Publishing.

We will show:(a)The Book Publishing Industry as it is now.

(b) Why the Book Industry in Canada is little better than a nonetity.

(c) Why the existing Book Publishers in Canada are vulnerable to collapse, a sell-out or a take---over.

(d) What caused what was the Book Industry to stagnate.

(e) What type of markets there are.

(f) What markets there can be.

(g) A suggestion how to obtain those markets.

(h) How to make new markets.

(i) How to control Book Publishing in Canada to Canada's best interest for Canadians.

(j) How the Book Publishing Industry in Canada should be handled to get it past its embryo stage of development.

(k) Where and how the start should be made to make Book Publishing in Canada the lucrative as well as cultural industry it is for every Country in the world.

(l) How it has been used as a sort of 'Programming Gimmick', a means of fifth-column propaganda

*** perhaps.....with special..... clarification.

(a) The Book Publishing Industry in Canada as it is now.

There are a few publishers who have tried to make an indent into the market and even tried to make bigger markets but by using 'old hat' methods. They continue to publish as though publishing were just a hobby; complete unto themselves. One or two have tried to wake the others up and to get into the swing, but they have been unsuccessful. As a result of this forward approach but yet retaining all or nearly all of their preconceived notions or tested format that was successful many years ago they have literally washed the Industry out in any big sense. The industry is merely in the limelight now because 'we are ripe for pickin'.....the harvest of these publishers, reaping the fruits of their retrogression format both in thinking and operations. Although a few have made significant amount of money, for the most part the Industry is quite ill, if one is thinking in terms of our own educational texts, having the bulk of books sold in Canada from our own presses (not merely printed in Canada- a gimmick that undid the industry) and the lack of the newer methods of publishing in full operation, has made it nearly impossible to compete in quality or volume.

(b) Why the Book Industry is little better than a nonety in Canada.

1. Those in the book industry up until now have boasted of having very few titles per year because the publisher almost

(b) - 1. cont'd - 1

to a man, have the egocentric notion that their company, and their company alone publish but a few titles a year but because 'their house'....PREFERS to publish 'quality instead of quantity' they tell you with that bland supercilious expression on their face, with their halo so bright and blinding that you almost miss the fact that they are really doing an inferior job; are guilty of defense mechanism in their attempt to hide the fear that they either do not know enough or are just plain and simply afraid to compete or that they might not be able to compete!
Some quite frankly are not publishers at all, if one means putting on the market in volume every type of book, educational, inspirational, religious, entertainment etc etc. They continue to put out the same type of material year after year, with about one side-step a year into the 'unknown' and believe or want to believe that they are publishers and serving to the best of their ability, a nation that has long been hungry for its own--showcase.

2. That there's is a cultural 'house'....and have no desire to get into the mass media market. (This one I've heard so very often it makes me bilious,)yet they are the very ones that will get, or will go out of their way to convince Ottawa, the Provincial Government that it was a thousand and one other reasons why they could not compete, but have their hand out for the subsidy so that the Government takes the chances they do not 'believe' enough in to have ventured on their, own....in 'the unknown' sea of words.

(b) continued -2

3. Many publishers believe that they can't afford many 'name writers' from outside the country and would rather spend their whole dollar on one or two, what they consider to be good names than spend an equal amount, in and on, Canadian writers known and not known as yet but who could net the company perhaps more than the name they rely so heavily upon.

4. Many believe that good writers only have one book a year in them and only expect one, where three or four is the usual amount.

5. That they are really BIG publishers already and see no reason to get bigger.

6. They, the publishers really believe that they can't afford to do more than they are producing at the moment.

7. They have set their sights too low. They believe if a book returns cost and a little more, it has been successful and that's the most you can expect in Canada where 'there's no market'..and so become little more than clearing houses for publishers of another country.

8. Canadian Book Publishing will remain a nonety because the publishers who know the market will not perform, and the ones that know they should meet the market either can't or won't do so.

9. Because the publishers are frightened to go into the market all the way and publish back to back and so make a successful industry.

BOOK PUBLISHING

(c) Why the existing Book Publishers in Canada are vulnerable to collapse, a sell-out or takeover.

Most of the publishers have known for some time that they were not keeping up with the demands of the industry in the ways and means department. The writing has been on the wall for the past five years to get ready for mass publication or go under. Some acted like an ostrich and thought they had another year or so, others did their level best to make the necessary changes in method and equipment and found they had insufficient capital to do so, but for the most part, many thought that their way was good enough for father or the preceding owners and so would be good enough for them....as a result they were caught short and have no alternative but to sell, being taken over or collapse. Some are doing the latter, others are using the situation as a ploy to get done what they very negligently could have done themselves if they had let go some of their anitiquated methods d' operation.

(d) What caused the Industry to stagnate?

In the last few questions this is already answered, as everyone knows where there is no forward motion in business whether cultural, or otherwise it can only stagnate. That question answers itself pretty much.

(e) What type of markets there are.

In Canada outside of a few book stores (many of which have been very successful) and variety stores, some library

action and very little book-club action if at all. However, the ones that are dumping agents for other companies from outside the country manage to stay afloat in a mediocre way and even manage or are allowed to manage, (I haven't been able to figure out which) to have a few titles mixed in, or on the bottom shelf, with the imported product. The hardware invariably belongs to one of our big publishers to the south, but because they are the agents for same, they may have some right to use some of them or some portion of them. The deals that have been accepted have been costly for Canadian publishers almost to the point of extinction with the exception of the department stores who are more or less independent and in which, naturally as a department store operating in Canada they do give a certain amount of bin space.

(f) What markets there can be.

I am not going to enlarge on this answer at this time except to say, there is and are, markets galore, and if anyone doubts this I would suggest they take a liberal amount of time to set up their markets as I have done and am doing....but which I would never have got around to doing if it had not been that I was in New York when I heard a distributor of note (films and books) say, "Oh yes, we're bound to handle it, return exchange....but give it a flutter and .....kill it!" So in answer to this question, to protect my own interests I will merely say again, there are markets galore, and dont't accept anyone else's opinion, find out for yourself.....I would like to be more generous, but it cost me thousands of dollars

to set them up and before I could finish this brief they would be sold up with a brand new contract at double the price. I have learned to keep quiet in this business, almost too late, but I learned.

(g) A suggestion how to obtain those markets.

Get out like our competitors and dig for them.

(h) How to make new markets.

By putting knowledgable people out in the field; on consignments if necessary first; special considerations; special advertising programmes; combined publishers association advertising'commercials'; using every available media to make those new markets.

(i) How to control Book Publishing in Canada to Canada's best interest for Canadians.

By going after the necessary legislature to limit foreign competition to 20% of our total book production; trade, soft and hard cover, for any one given year....that is, spelled out, if Canada publishes from any source whatever,1000 titles a year (educational-text separate deal) then the absolute total of foreign books can be but 200, not 201 but 200 and make it stick. We need outside the country, foreign books or we would stagnate the other way, but not at the expense of our cultural and and educational and employment requirements. In School, educational or any books that can fall into that category (must be clearly defined by allowing only 3% of total educational, text, school text etc etc

and only if that self-same three percent falls into a very highly specialized (to be decided by a special publishing board that should be set up and not including anone who is not in the publishing industry at its head, and certainly not teachers and professors from any background except Canadian,(nor arty, nor too academic that have long since forgotten that education means to draw out,from educare, 'not shove in'.....) to say what that 3 % should include; what those 'special higher educational books may be: that each fiscal year end, say March 20, American and any other foreign supplied school texts are replaced yearly by Canadian printed, written, and produced in Canada by Canadian Publishing houses of over 75% Canadian personnel, and 75% Canadian shareholders....and a bloody stiff penalty for anyone found breaking this 'protection'.

(J) How the Book Publishing Industry should be handled in Canada to get it past its embryo stage of development.

By setting a date, one year from this date as time of commencement, approximately June 1,1972 as the mark setting the 20% import limit which will give Canadian publishers one full year to get started on volume production on the book market, and allow only the 20% in legally. No more 'under the table' foreign book matter above that figure. If this is implemented immediately it will make at least 3000 jobs for Canadians immediately....not next season!

To get each publisher to publish a min. of 60-80 titles a year, 100% Canadian in content, printing, paper, binding, jackets, the whole bit, even if it makes Christmas 1972 a little light with only 500 or so new titles for that one year....the following year it will be double that etc etc. The publishers must have a subsidy, grant, or loan for them to make their initial first year and possibly second year commitment... with the assistance of Federal and Provincial, or just Federal

which would have to be in charge of the legislature to effect and moreover, see that the programme is followed out faithfully.

They would have to see that after the first year, any books that are as yet unsold and on the Canadian market are taken off, when the first batch of quantity and quality books are ready in the number already outlined, and to see that no more than 20% of the volume of new titles are allowed to remain for sale here in Canada, past that figure, with the onus on the foreign publishers to say which ones are to stay, and which are not.

(k) Where and how the start should be made to make the Book Publishing Industry lucrative as well as cultural is to make certain that the publishers in their initial quota for the first year, and subsequent years put out a diversified content programme from the onset....broken down: One educational text, one entertainment, one inspirational, one religious etc etc until such time as we have a diversified market of books to fit every taste and age group.

(l) How it has, by accident or design been used as sort of a 'Programming Gimmick', a means of fifth-column endeavour to condition everyone in Canada that it would be to our best interests to be part of the great neighbour to the south (for our protection only of course).

It is nothing new for a country to prepare as much as 20 years for a takeover and sometimes even more, and those ways do not have to be by war or revolution....it is being done however. Our economic battle is at the moment lost. Our cultural one lost. Our resources....nearly so; our morals and our morale....badly bent; our religious, worshipping the power of the dollar ahead of all else ....our undoing! We yet have time to instill into our young, the very young, some of the basics we very much need them to have, the integrity, the honour,

BOOK PUBLISHING IN CANADA

the ideals, etc etc that we yet pride ourselves as a Nation we have, but which could be lost over-night, unless the publishing industry; the television and the feature film industries cut back the foreign content by bringing to the fore better material, and in larger quanitites to serve the market properly.

The Book publishers must be prepared and dedicated to save the country,nor do I mean literally. I mean actually, and moreover, it is absolutely vital they they be funny and entertaining doing it. Apart from the cultural, the material, there is the aspect of the north American continent being another Rome, another Egypt. I'm surprised that no other prognostigator has likened our situation to that time, and about which we as publishers, could stem the tide. It is no longer just nationalism, it is much more than that....to borrow a phrase that is trite, but nevertheless, to the point.....It is our way of life.

CONCLUSION:

Our industry, the book publishing industry will only be as successful as we make it when we have the tools, in this case, the finances,to get into the mass publishing market and with our own talent and our own shareholders for the most part.

Windemere Releasing Co.

FILMS (DISTRIBUTION) BOOKS

LIST OF BOOK PROPERTIES

DOUGLAS PUBLISHING AND PRINTING

SUBSIDUARY COMPANY OF

PALMAR PRODUCTIONS ENTERPRISES LIMITED

AS IS WINDEMERE RELEASING COMPANY

& GARABALDI BROADCASTING COMPANY

*N.B. various stages of completion as per various industries...

TRADE: PAPERBACK AND/OR HARD COVER

A FOOL AND HIS MONEY metaphysical Nov. 9,1970. — (from which a feature film has been made, a release Canada finally secured and 'Outside Canada' release namely, with Italy in the works this writing.)

Access to Murder — Film version 'One corpse too many' R& D for same

CRAZY DIRT MAN — Farm story, comedy. R & D for same

CHRIS BAKER - 26 — SERIES OF BOOKS, SERIES FOR T.V. AND FEATURE FILM ALSO R& D for same

MRS. HALSTAD'S SCANDALOUS AFFAIR. (name a misnomer) — SCIENCE FICTION Release & Distribution for same.

Black Douglas -13 — Juvenile, series for T.V. and Feature Film....1st...'Alone on a Mountain'

Miss Lolly Makes Murder - 13 --- Series of mysteries , books Paperback; Series T.V. and Feature Film. and various segments.

BLINK THINEEYE Teenage Book....Hard & possibly soft cover

PABLO FINDS HIMSELF....Pocket book and Feature Film of the same name.

Witchbel to Win...Feature Film and Pocketbook

THE PINK SEA -- Hardcover first, religious, [illegible]

THE GUT BOAT - Paperback, Series for T.V. and Feature Film

Canadian [illegible] aware of same and may be us helpful production of same.

Hiriam Flitzblogett.... Paperbck, story of a lawyer a special charac series for T.V.

The Tender Vine .... Hardcover, feature film....Religious

The Three Canadas .... Saga * Mr. Andy McFarlane of the Telegra asked if he could quote excerpts from same.

THE WAYWARD MOLECULE FEATURE FILM.*Paperback & Hardcover SCIENCE FICTION, Paperback, and Fe[illegible]

IF WE HAVE NEED OF HORNS SCIENCE FICTION, Paperback, and Feature Fil

BINGO IN THE BASEMENT....Paperback and Feature Film

BULL GEAR - Paperback series of a Canadian Overseas, Feature Film

Tally of the Caribou- Northern Background, Harcover Juvenile * Mr. Ian Thomas formerly of Harper's inter

A Day with a Bush Pilot Northern Background, Hardcover Juvenile

THE WEEKENDERS Northern Ontario background, mining st[illegible] Feature Film. Hard and Soft cover.

John Doe and Mr. Soblenski...Canadian Immigrant story. Feature Film

Several mysteries:
To name a few: Goodmorning, Murder is a Personal Affair, Murder is Music; Murder by Perscription ,Go Quietly Please etc etc etc.

EDUCATIONAL 'Six -speak,' a method of learning with correct grammar & syntex 6 languages at one and the same time...6 serie of six languages....total 36 at present ...'a real break thru in the language barrier ' as per Dr. D. McCarthy , Deputy Minister of Education, Ontario.

Special course: Whereby our young would have a very solid base and yet be well prepared without stress or strain at least by 3 years earlier for 'higher education'....and which**** incidentally would save our Government millions of dollars annually.

Other Juvenile texts etc 'in works'....specializing in History and Geography.... (at research stage)

Please see appendix A for further

FOR EVR , video & film and film.

PROPERTIES

Palmar Productions Enterprises Limited

Scripts, treatments, book & film rights
varying stages of completion re 'timliness'
as per the industry.

RAMA
3 SERIES:

CHRIS BAKER 1st seg. Operation Kindergarten

+ 5 series that could evolve from this series as per Mr. [illegible], C.B.C.

BLACK DOUGLAS 1st seg. Alone on a Mountain

MISS LOLLY MAKES MURDER 1st segment "Good Morning"

* * * * * * * * *

DUCATIONAL :

"SIX SPEAK" - LANGUAGE PROGRAM (6 Series of Six Languages)
Learning 6 languages at one time...complete to grammar, syntex, pronounciation, writing, spelling.
Eng. Fr. Ital. Spanish, German, Hungarian, Chinese, Japanese, Arabic, Russian etcetc.

***

" A real break-thru in the language barrier" as per
Dr. D. McCarthy, Dep. Minister of Education, Ontario.

'AGAINST THE GRAIN' Farming

* That no child over the age of 8 years need to go to bed hungry ever again!

* That there is more than sufficient farm land as well as land for further (much further) commercial, industrial and residential development instead of the wholesale cutting up of valuable farm areas which would leave only the sea if this program is allowed to continue.... I mean the take over in the farms and technological changes that are already creating havoc but which will be irrevocable in a very short time.

3 years research... several different countries and climes.

AUDIENCE PARTICIPATION PROGRAM
(continuing)

ESP for want of a better name....taught on T.V. as a science. (6 years research)

24 Feature length films (scripts for sme)
26-1 Hour drama anthologies
16-1 /2 Hour " "

Range: Comedy, metaphysical, mystery suspense, mustery, western, religious, historical, sex interest, technological changes re children....juveniles...

Some of the Titles Features: A Fool and His Money; Mrs. Halstad's Scandalous Affair,(S.F) 'No place to hide' 'If we have Need of Horns' 'The Weekenders'

appendix "A"

N.B. NOT INCLUDED IN BALANCE SHEET- POTENTIAL RE INTANGIBLES THISDATE END FISCAL YEAR MARCH 20/70.

100% Canadian content....** Prepared as detailed pro forma only, and Potential

22 FEATURE FILM SCRIPTS - varying stages of completion re timliness as per the industry as no scipt in final form until and even during production.

*90 Min and over

44-- Hour

* 60 Minutes " " " " " "

4 SERIES FOR T.V. Treatments, and scripts, books etc as outlined.

2 Educational Programs as well as text research for use in schools

Book Rights of 68 Properties, Hardcover, paperback (trade) reprint, other languages, stage production and Royalties all languages including publishing

WORLD RIGHTS, WORLD RELEASE & DISTRIBUTION TO ALLOCATE .

Motion Picture, T.V., Book, (Hardcover) (Paperback) Magazine, Text, Tape, Recording, Correspondence and attendance schools, other educational mediums. Radio etc etc

EVR...All advertising, commercials and other, Royalties etc etc .

ESTIMATE VALUE POTENTIAL ...$116,000,000.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

W. B. SAUNDERS CO. CANADA LTD.

APRIL 15, 1971

ROYAL COMMISSION ON BOOK PUBLISHING

BRIEF SUBMITTED BY

W.B. SAUNDERS COMPANY CANADA LIMITED

W.B. Saunders Company Canada Limited went into operation in January, 1968, and is a subsidiary of a U.S. publishing house. It is associated with W.B. Saunders Company Ltd., another subsidiary operating in London, England. For almost 100 years, the W.B. Saunders Company of Philadelphia has earned world-wide recognition as the leading publisher of medical, dental, veterinary and nursing books. Additionally, it publishes college-level books in allied subjects such as - biological sciences, chemistry, physics, mathematics, psychology, health and physical education. Since the health sciences are international in scope and application, our books are marketed throughout the world and are written by eminent medical and nursing educators. In addition to publishing English-language translations of French, Russian, German, Danish and Japanese medical and scientific books, the W.B. Saunders Company has for many years arranged for the translation of its own leading books into over 25 different foreign languages. It must be recognized, therefore, that health science publishing as well as other technical and educational publishing has an international application. Specialized knowledge in medicine and the allied sciences should not be confined by national boundaries; it should be available to all countries regardless of language or political beliefs. The W.B. Saunders Company has earned a high reputation in medical publishing mainly because of the superior quality of its books and also because of its ceaseless desire to make these books available throughout the world.

At present, the function of the Canadian company is confined to a marketing and distribution operation. Since we do not have editorial

or production facilities in Toronto, our books are imported from the United States; as stated above, some titles are English-language imports from other countries. Nevertheless, we are continually looking for and soliciting manuscripts from Canadian authors and, as a result, many of our books are written by Canadians. The full list of W.B. Saunders' titles contains authors from many parts of the world: the United States, Canada, Britain, France, Germany, Russia, etc., etc. Our authors, well represented by Canadians, are leaders and authorities in their particular fields, each making a valuable contribution to the world of learning and culture.

Because the W.B. Saunders Company is one of the few publishers having its own printing plant and because of the voluminous printing runs of certain titles, production costs are minimal allowing us to market our books at reasonable, competitive prices. It should be mentioned, too, that the enormous quantities of paper used by our U.S. presses are mainly imported from Canada. Obviously, if specialized books were published in this country solely for the limited home market the unit costs and selling prices would be astronomical.

In Canada and the United States, our books are used at every medical, dental, veterinary science and nursing school, and at every hospital, health institution, and university. We have heavy competition from other publishing houses; it is right and just that we should. In this way, we can be sure that every student, every M.D., every specialist, every academic, has available to him a wide choice of top-quality books, written by experts from around the world.

Just recently, in cooperation with another Canadian publishing company, we embarked on an important programme of translating certain of our nursing texts into the French language, specifically for the

Quebec market where there has been for many years a dearth of French-language nursing books. Although the selected titles were written by Canadian and American nursing educators, the translated books will be completely produced in Canada.

When W.B. Saunders Company Canada Limited was formed in 1967, there was a capital investment of $25,000 made by the U.S. parent company. No dividends have yet been paid. We have thirty-one employees in Canada and our total payroll expenditure in three years has been in excess of $700,000. Corporate income taxes amount to over $180,000. Operating expenses (excluding the cost of imported books, and the payroll expense mentioned above) total $600,000, all expensed in Canada.

We feel that we are making a vital contribution to the educational and cultural wealth of Ontario and of Canada. Firstly, we are making available to Canadian students and graduates a selection of high quality specialized books, expertly written by prominent, international authorities. Secondly, we are publishing books written by Canadian authors for distribution to all parts of the English-speaking world and, hopefully, for foreign-language translations.

A.J. Cornwall
Vice President and General Manager

March 25, 1971.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

CANADIAN SOCIETY OF BOOK ILLUSTRATORS

APRIL 15, 1971

BRIEF TO THE ROYAL COMMISSION ON BOOK PUBLISHING

The Canadian Society of Book Illustrators is a provincially-chartered organization representing the majority of book illustrators and designers currently employed in this field in English Canada. Founded in 1964, the purpose of the Society is to establish professional standards and to provide a means of representation for artists and designers whose principal activity is in the publishing field.

In the last two years we have become increasingly disturbed by the reduction and curtailment of work opportunities in the Canadian book publishing field due in considerable measure to the Americanization of the Canadian publishing industry. The recent sale of two major Canadian publishers to American interests has aggravated this already-serious situation, and is the subject of our brief to the Royal Commission on Book Publishing.

We should like to submit the following points for the consideration of the Commission:

1) That the cultivation of a distinct Canadian identity should be one of the primary aims of Canadian book publishers and, that, both in the field of writing and illustration this objective can only properly be achieved if Canadian artists and writers are given the principal responsibility for the content and

planning of publication.

2) That the increasing use of imported film illustration in Canadian books, particularly text books, is detrimental to the objectives of Canadian education. Canadian artists, by virtue of their background and cultural outlook are much more capable of interpreting the needs of Canadian readers, than are artists in other countries. Most imported film illustration is originally designed for non-Canadian books. When published in Canada this material is modified or altered slightly to incorporate some Canadian features. The use of such "second-hand" material in Canadian books constitutes a growing threat to our cultural identity and should be discouraged or prevented.

3) That there is a fundamental contradiction in government policies which on one hand, by the establishment of very many post-secondary schools and institutions, prepares increasing numbers of students for positions in the commercial and graphic arts field and yet, on the other, contributes to a situation in which employment opportunities for such graduates are steadily reduced. This problem is particularly acute in the publishing field as a result of the Americanization of the industry and the resultant reduction in the amount of original Canadian material now being published.

RECOMMENDATIONS

1. Canadian content quotas should be established specifically in the textbook publishing field.

2. There should be some means of restricting the importation on film of artwork and illustration, particularly in the field of educational publishing. It is essential that strict control be imposed upon the number of non-Canadian texts approved for use in Ontario schools.

3. To preserve and promote the growth of the Canadian publishing industry, proposed text books should be approved at manuscript-layout stage rather than after (the publisher has been subjected to) the expensive process of publication.

NOTES

It is to be noted that the Society will present at the time of its hearing certain books and publications now in use or proposed for use which illustrate some of the points mentioned in this brief. If it is desirable that they be presented ahead of the hearing, it would be appreciated if the Society were informed through their Solicitor.

President - Colette MacNeil

George W. Brigden
80 Richmond Street West
Toronto 110, Ontario

Solicitor for the Canadian Society
of Book Illustrators

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

TASS T. GUNDEL AND ASSOCIATES

APRIL 15, 1971

ROSS T. GUNDEL & ASSOCIATES
EDUCATIONAL CONSULTANTS BOX 4761 HAMILTON, CANADA

SUMMARY

Observations And Thoughts

On The Canadian Book Publishing Industry

The Canadian Book Industry - willingly or unwillingly - finds itself amidst a gigantic revolution, which conceivably could last many decades to come. Up to recent times, Canadian Publishers led a rather uncomplicated, tranquil existence, for most parts untouched by the evolutions and acquisitions of the twentieth century. When the revolution gathered momentum and was finally acknowledged as such, most Publishing Houses found themselves unprepared to cope with the new situation, new requirements and the scope of the new perspective. As a direct result the Book Publishing and Distribution Industry appears to be confronted with a multi-faced dilemma:

1. The Hunger for Information
   as provided by all media, but especially by the "printed word", urgently required by the Canadian public;

2. The Organizational Inadequacies
   of the industry to cope with the changing requirements, extended markets, and often still adhering to outdated and therefore costly Methods of Marketing and Distribution;

3. The High Cost of Labour
   and materials on one side and the unknown costs for the progressive automation through computers and other means on the other side, have greatly curtailed the profitability of Shareholder's Investments and/or their enthusiasm for more liberal financial concessions;

4. The Trend to Buy Non-Canadian Books
   as observed as being increasingly done not only by our Universities, but also more and more by Public Libraries and -- Boards of Education.

In my capacity as Consultant to a fair number of educational institutions and environments throughout Ontario I had ample opportunity of studying these and other very much interrelated problems at a rather close range. I was surprised how freely Librarians and Educational Officials voiced their particular problems: Ordering Procedures, Waiting Periods, Cancellation Rates, Inaccurate Availability Information, etc. In summary: LACK OF ADEQUATE SERVICE.

It must be clearly understood that the progressing penetration of the Canadian Market by American books is not caused by pressures brought to bear or unfair practices, but only by better service at reasonable cost. Economics alone dictate increasingly from what source to buy. Many institutions would prefer to buy Canadian—if they could afford to. Organizations who still purchase from

Canadian sources already begin to ask how long they can justify the extra expenditures to the already hard-pressed taxpayer.

Analysing and evaluating the known facts and the encountered problems, it becomes apparent that certain changes have to take place before the industry can cope with the encreasing complexities. To illustrate the observations I have made during the last few years let me elaborate on the following facts and factors:

1. The Hunger for Information

   The enormous advancements in Science, Technology and most other areas of our civilization require a constant upgrading of educational standards. Education, in broadest terms of reference has become a "Life Raft" not only for Students of school-age, but also for Adults, whose skills are gradually replaced by automated processes or where professional advancements are curtailed by lack of formal training. It, therefore, must be quite apparent, that Libraries, or books in general, are no longer "necessary evils" or are just written for the intelligentsia of our nation, but they form the basic requisite for Canada's future. Tomorrow's Library will become a "Supermarket of Knowledge".

2. The Organizational Inadequacies

   Lack of co-ordination amongst the Canadian Houses, the seemingly complete absence of Modern Marketing Concepts and Techniques, including the establishment of adequate Warehousing, Distribution and Service facilities are definitely curtailing the effectiveness of the industry. Publishers must realize, that today they are faced with two facits: a) Increasing competition from foreign, mainly United States companies are able, willing, ready and -- eager to provide this "Service" and to capture the lucrative 500 Million Dollar Market, or at least a high percentage of it.

3. The High Costs of Labour

   Shareholders should rightfully expect a fair return on their investment. This, however, can only be guaranteed by higher productivity (including the reduction of the enormous cancellation rate due to non-delivery) and the lowering of the sky-rocketing labour - and operating costs. The introduction of modern Management Techniques, the development and implementation of time - and cost saving Systems and Procedures would lead to a higher degree of efficiency, and allow for a better and/or more economical utilization of staff.

4. The Trend to Buy Non-Canadian Books

Universities and Public Libraries may quote various other reasons for buying books from the United States or other countries, but as far as Ontario School Boards are concerned, one has to recognize the following three explanations:

a) Due to the lack of an adequate Canadian Book Marketing Program, Librarians are rarely up-to-date as to availability of Canadian books, or publications with Canadian Rights. Status Information provided by various publishers is often misleading, not to say inaccurate. Pre-publication information on new books is readily available - well in advance - from most U.S. sources, to a much lesser degree from Canadian Houses.

b) Librarians and their often scarce secretarial staff are usually not too well trained in the Arts of Administration, and in many instances they detest having to perform a multitude of "complicated" clerical chores for the sake of ordering a book. Any supplier, willing to minimize the clerical workload is usually more than welcome. Many customers seem to feel, that they pay a supplier for his "Service", which includes the provision of books and they do no longer consider printed and bound materials as "Commodities".

c) Last, but by no means least, Librarians and Education Officials are more rigidly than ever bound by Budgets and, therefore, more cost-conscious than ever. Inasmuch as the net-cost for imported books may not vary as much from domestic publications, the price charged for cataloguing and processing differs often substantially. Books, published in the United States, are not seldom shipped from a Central Warehouse or Distribution Centre within days; Canadian books by and large are not stocked, not readily available, and in too many instances it takes weeks and months until the ordered books arrive at the customer's Library. (If their delivery didn't collide with the customer's cancellation date.....)

Tass T. Gundel

[illegible]

[illegible]

I would like to thank you for the opportunity to make my Observations and Thoughts on the Canadian Book Publishing Industry known to the Commission.

Before I present my findings I would like to reiterate once more that I do not represent any organization, group or company and that I am not seeking any publicity, but that I would feel very remiss if I would not make my relevant knowledge known to the Commission and perhaps help in a small way to overcome some of the experienced difficulties.

The Canadian Book Publishing Industry - willingly or unwillingly - finds itself amidst a gigantic revolution, which conceivably could last many decades to come. Up to recent times, Canadian Publishers led a rather uncomplicated, tranquil existence, for most parts untouched by evolutions and acquisitions of the twentieth century. When the revolution gathered momentum and was finally acknowledged as such, most Publishing Houses found themselves unprepared to cope with the new situation, new requirements and the scope of the new perspective. As a direct result the Book Publishing and Distribution Industry appears to be confronted with a multi-faced dilemma:

A. <u>The Hunger for Information</u>

as provided by all media, but especially by the "printed word", urgently required by the Canadian public;

B. <u>The Organizational Inadequacies</u>

of the industry to cope with the changing requirements, extended markets, and often still adhering to outdated and therefore costly Methods of Marketing and Distribution;

C. <u>The High Cost of Labour</u>

and materials on one side and the unknown costs for the progressive automation through computers and other means on the other side, have greatly curtailed the profitability

[illegible] and/or their enthusiasm for [illegible] financial concessions;

A. The Trend to Buy More Canadian Books as observed as being increasingly done not only by our Universities, but also more and more by Public Libraries and -- Boards of Education.

Now, Publishers and many Canadians are deeply concerned about the increasing share United States Publishers and Book Wholesalers receive out of a potentially $ 500 Million Market. The general public is given to believe that the increasing number of foreign books is unilaterally changing public opinion and reducing the profitability of Canadian Publishing Houses.

Gentlemen: It must be said - loud and clear - that the progressive penetration of the Canadian Book Market by U. S. Publications is not caused by pressures brought to bear from abroad or even - as it is here and there suggested - by unfair practices or dumping and the like.

The rapid penetration of the Canadian Market by U. S. Books is caused primarily by:

A. Better and Faster Service

B. Reasonable Costs

C. Easier Availability

D. Superior Marketing Methods

E. Better or Equal Products

During the last five years I had ample opportunity of studying the Industry and many of the Interrelated problems at a rather close range. Boards of Educations, Librarians, even Book Wholesalers have complained about the lack of service for several years; to no avail.

Canadian Publishers by and large did not too quite frequently attitudes, their methods of operation were rapidly transforming the "Buyers Market" into a "Canadian Publishers' Nightmare".

From my experience with Boards of Education, etc., I know only too well that Economics and service dictate more than ever before from what sources to buy.

Many School Boards and other educational institutions have told us time and again that they would prefere to buy Canadian if they could possibly afford to do so. Organizations who still purchase from Canadian sources already begin to ask themselves how long they can justify often inferior service in spite of extra Expenditures to the already hard-pressed Taxpayer.

Analyzing and evaluating the known facts and the encountered problems, it becomes apparent that certain changes have to take place before the Industry can cope with the increasing complexities.

Canadian Publishers have to change their attitudes, methods of marketing operation and provide decisive leadership. They have to set aside their rivalries, their petty grievances and work together on the attainment of a common goal: a strong economically sound Canadian Book Publishing Industry that can stand on its own feet without foreign domination and not depending on Governmental Handouts and/or Subsidies.

A few years ago Professor Marshall McLuhan wrote in his book "The Medium is the Massage":

"It is a matter of the greatest urgency that our educational institutions realize that we now have civil war among environments created by media other than the printed word. The classroom is now in a vital struggle for survival with the immensely persuasive outside world created by new informational media. Education, therefore, must shift from instruction, from imposing of stencils to discovery, to probing and to explorations." Professor McLuhan calls this process "Civil War In Education", others call it the "Educational

Whatever we call it, we are in it and so we'd better get with it.

What does this mean and what is the relevancy to the Book Industry?

The enormous advancements in Science and Technology have led to a constant upgrading of educational standards and requirements. Education, in broadest terms of reference, has become a "Life Raft" not only for Students of school age but also for Adults whose skills have been or are gradually replaced by Automation or where Professional Advancements are curtailed by lack of formal training. Without wanting to examine in detail the changes that have taken place since you or I left School or University, and without wanting to dwell too much on the Curriculum Changes ahead, let me paint you a Picture of Education in the 70's and 80's.

Schools will be operating on a year-round basis; All facilities will be made available to all Students, young and old.

Branches like Arts and Science, Business and Commerce, Science, Technology and Trades, as well as Grades will disappear making room for a new Unit System.

A good Student will be able to complete High School in maybe Three years. A poor or slow learning Student may complete his Studies at age 24.

Schools will be operated similarily to University Campuses. Time-tabling will be greatly reduced and applicable for all intent and purposes for Teachers and Classrooms only.

Because of this approach, Classroom Attendance is merely regulated by the Number of Seats available in any one Classroom at any given time.

For the first time in the history of Secondary School Education, Students will attend classes because they want to and not because they

have to. No longer will we adhere to the policy of "Force-feeding" of Education to Youngsters who either themselves or the Parents have no desire to progress beyond the Grade 10 level. Option packages, as we know them now, will disappear. Individual timetabling will take on a new face.

What will all this do for the Teacher? Teachers of the various subjects may no longer administer Tests and Examinations, spending long evenings with marking papers. This will be done by "Non-Teaching Teaching Staff" and possibly by Psychologists.

The Teacher will be able to do what he is basically hired for: Teaching. Teachers will act as Lecturers and Counsellors and by not having to take home test and examination papers to mark and grade, it will provide them with sufficient time for Better Preparation for more Extensive Research on a Subject Matter. The obvious result: Better Education Producing Better Students.

In fact to put it bluntly: Students, in the years to come, will be able to select their own Teachers - and the poor Teacher, incapable of communicating with his Students will find himself without an Audience.

Since education is administered for the benefit of Students, and not for the sake of Education in general or Teachers specifically, Students will play an increasing role in helping decide on Curriculum. As a direct result, one will find a lessening of discipline and morale problems and thus educate better Students.

Less and less emphasis will be given to the stereotype Textbooks formerly handed down from one Student Generation to the next. The time will come, in the not-too-distant future, when Textbooks are already outdated on the day of their publication. Schools and Teachers will then undoubtedly refrain from using a specific Text for more than a single

Semester or a Year at the very most. The "Teaching Mould", providing ordered but fragmented information, is rapidly giving way to the "Age of Living and Learning" which fosters probing, exploration, research and discovery.

As a result, present Libraries will become Resource Centres where Students as well as Teachers have access not only to Books but also to Films, Slides, Records, Tapes, Educational Television, etc.

It, therefore, is quite apparent that Libraries or Books in general are no longer "Necessary Evils" or just written for the Intelligensia of our nation, but that they form the Basic Requisite for Canada's future. Today's Library of Books will become the "Supermarket of Knowledge".

Professor McLuhan sums it up: "We have now become aware of the possibility of arranging the entire Human Environment as a Work of Art and a Teaching Machine designed to maximize perception and to make Everyday Learning a Process of Discovery."

If anyone doubts these philosophies, reference can and must be made to the 1969 Royal Commission Report on the Aims of Education in Ontario (The Hall-Dennis Report). This report, in spite of vocal opposition by pragmatists, must be considered the "Marching Order" for Education in Canada. While in the past, Education was often administered for Education sake, Youngsters of this day and age are engulfed by an approach that may be described as "Education for Employment".

Please accept my apologies for digressing into the field of Education and its future, but I sincerely feel that this is quite relevant to what this Commission is trying to establish.

I have emphasized the role of the Library/Resource Centre in future developments, and Libraries are obviously closely connected to Books and consequently with the Book Publishing Industry.

Books by School Standards are categorized in two major segments:

1. Textbooks

2. Library Books

Textbooks are relatively easy to deal with since the overwhelming majority of Textbooks are selected from a list commonly known as "Circular 14", published annually by the Department of Education. It cannot be my purpose to question the methods used or applied to get a Textbook accepted for Circular 14, but it is my understanding, from Educators as well as from some Publishers, that the methods used leave a great deal to be desired. As indicated before, Textbooks, in the future will play only one part in the Education of our future Students. Much more emphasis will be give to Project Research or you may call it "In Depth Research" of a certain project. It therefore, becomes quite apparent that the Librarian of the future, and I'm talking more here of the Librarian in a Secondary School or in a School rather than in a Public Library, has a much greater responsibility as to the Selection of Texts/or Books than they ever had in the past. In other words, it is of utmost importance that the Librarian knows what is published, and how it would fit in to the Schools' curriculum.

Which brings me to the second segment of my brief: The Organizational Inadequacies.

There appears to be a complete lack of co-ordination and co-operation amongst the Canadian Houses, a seemingly complete absence of Modern Marketing Concepts and Techniques, including the Establishment of adequate Warehousing, Distribution and Service Facilities curtailing the effectiveness of industry. Canadian Publishers must realize that if they are unwilling or unable to provide the service, Canadians require, that many U. S. firms are able, willing, ready and -- eager to provide this "service" and to capture the highest percentage possible of a potential $ 500 Million market.

Let me mention at this point the Co-operative Book Centre of Canada which some years ago had been formed by 19 Publishers to provide a unifying service to institutional accounts. The idea of the concept of a co-operative was and is very commendable and I sincerely believe that the publishers who formed the Co-operative have shown a tremendous amount of wisdom and foresight. Unfortunately, the Co-operative did not become the success the founders had anticipated and when economic conditions worsened it became apparent that the Co-op, as well as other wholesalers, suddenly were put in the position of "Unwanted competition". The rest of the story is "History"

The advantage for School Boards to deal with Wholesalers as compared to Publishers are quite apparent:

First of all, all Library Books have to be catalogued and processed, - a Service rarely provided by a Publisher.

The Discount Structure is such that a School Board can expect anywhere between 34 and 37 °/. discount from a Wholesaler, but only an Average of 20 °/. from a Publisher.

The Disadvantage of dealing with a Wholesaler is the fact that - because of the required processing - the Waiting periods for receiving Books, more often than not runs six months and more. Such waiting period can rarely be tolerated by an curriculum bound School. The consequence of this, of course, was and is a tremendously high Cancellation Rate.

Publishers, by and large, supply Books within two months as an average, but: un-processed.

Summarizing, one can come to the conclusion that as far as Textbooks are concerned Canadian Publishers display an overreliance on the Circular 14 published by the Department of Education, while in the area of Library and Reference Books Publishers seem to rely on the "Convention Conquests" of their Sales Staff.

If companies, like General Motors or Ford or any other firm of its kind, would handle their Marketing like Canadian Publishers have done in the past, they also would be in deep financial trouble.

Cost of Labour

Shareholders hould rightfully expect a fair return of their investment. This, however, can only be guaranteed by higher productivity (including the reduction of the enormous cancellation rate due to non-delivery) and the lowering of the skyrocketing labour and operating cost. The introduction of modern management techniques, development and implementation of time and cost saving systems and procedures would lead to a higher degree of efficiency and allow for better and/or more economic utilization of staff.

Many publishers are still handling book orders manually which is, without saying, an extremely laborious and, therefore, costly process. The work is time-consuming and is, at least in part, responsible for a high cancellation rate due to non-delivery. Although one should not generalize, it must be clear that the various companies who utilize computers do not necessarily use them to a full advantage, meaning for input as well as for output. Automation could undoubtedly reduce the cost of labour to a reasonable level.

The fourth and last segment of my finding deals with a trend to buy non-Canadian Books.

Universities and Public Libraries may quote various other reasons for buying Books from United States or other countries, but as far as Ontario School Boards are concerned one has to recognize a number of basic explanations:

A. Due to the lack of an adequate Canadian Book Marketing Program, Librarians are rarely up-to-date as to availability of Canadian Books or Publications with Canadian Rights. Status information provided by various publishers is often misleading not to say inaccurate. Prepublication

[illegible] available and in advance from most United States sources in a much less [illegible] from Canadian Houses.

B. Librarians and the often scarce secretarial staff are usually not too well trained in the arts of administration and in many instances they detest having to perform a multitude of complicated clerical chores for the sake of ordering a book. Any supplier willing to minimize the clerical work load is usually more than welcome. Many Librarians seem to feel that they pay the supplier for his "service" which includes a provision of books and they do no no longer consider printed and bound materials as "commodities".

C. Last but by no means least, Librarians and Education Officials are more rigidly than ever bound by budgets and, therefore, more cost conscious than ever. Inasmuch as a net cost of an Imported Book may not vary much from domestic publications, the price charged for Cataloguing and Processing differs often substantially. Books published in United States are not seldom shipped from a Central Warehouse Distribution Centre within days; Canadian books, by and large, are not stocked, not readily available and in too many instances it takes weeks and months until the ordered books arrive at the customers' library that is, if a delivery didn't collide with the School Board's cancellation date.

When a school board orders a book or a series of books, they order them because they are needed and not because they have to fill up some empty library shelves. It is tragic but Canadian Publications are at times extremely hard to get at a reasonable time and/or at a reasonable cost.

This is merely a statement of fact and not unjustified criticism because I am only too aware of the economic and other problems.

As far as Textbooks are concerned: The advancements are so fast these days that an increasing number of them are outdated on the day of their publication. On the other hand, Ontario schools are curtailed and possibly rightfully so by Books listed in the Department of Education's Circular 14.

In the area of Library Books, School Boards enjoy the freedom of choice and generally they seek it from the best source possible. Consequence:

A. More books from the United States

B. More variety from the United States

C. More information about books from the United States

D. More or Better service from United States suppliers *

* This service includes, e.g., Faster Delivery, Order Simplification (like Batab) and, last but by no means least: Delivery f.o.b. Destination. (In many cases, School Boards have to absorb Freight Costs when dealing with Canadian Suppliers.)

Just as case in point, let me share with you an experience I personally have had during the last eighteen months. On May 24 of last year, an Executive of the Canadian Book Publishers' Council addressed a group of Ontario Librarians at the Inn-on-the Park in Toronto and made two statements. He said at one point that the Ryerson Library Service, a book jobbing agency for more than seventy years, had ceased to exist and that serious problems also face the Co-operative Book Centre. He went on to say that these two enterprises existed solely for the Librarian's convenience. That one is gone and the other in crisis must cause Librarians to ask whether or not librarians have asked too much of them.

He also said that the problem of service (the getting of books speedily from the publisher or jobbertto the librarian) is an old one and one the Canadian Publishers nibbled on. He wished that he could tell the Librarians that great strides towards solving it have been made, but he pointed out that he could not.

These remarks, amongst others, were printed in The Globe and Mail of Monday, May 25, and I felt compelled to address a letter to this gentleman and to say, and I quote, "Your suggestion that librarians may have asked for "too Much" of the Co-operative, etc., was received with some surprise

Librarians, by and large, are only asking what they in turn are requested to provide. It therefore, appears that the Industry has not kept in step with the changing requirements nor did the Canadian Publishers provide any leadership".

"As to the service problems, you were, of course, absolutely right when you stated that publishers have just nibbled on these difficulties. What evades me is why the Book Publishers' Council, knowing all the problems, appear to be unable or unwilling to do something about it. As a Canadian ad as a consultant, it hurts me to see these unwarranted developments and to think about the ultimate consequences."

On June 1, 1970, the gentleman in question replied to my letter and saying in part: "You have challenged my statement that Librarians ask too much of the Co-Operative Book Service". "I admit that this was probably because the Co-op had never truly defined its own role and, therfore, became all things to all people". The commercial job buys within the United States would never have attempted to produce as many kinds of preparation services, for example, nor would they have offered to get any books anywhere with inadequate information."

What this Executive had to say about the Co-operative Book Centre is, of course, true, but, by the same token, one can ask "Have Canadian Publishers truly defined their role in our society, or are they trying to become all things to all people?"

I am pleased to submit the following recommendations to the Commission for due consideration:

Tass T. Gundel

Hamilton 53,
10 Ben Lomond Place
April 15, 1971

RECOMMENDATIONS
AS SUBMITTED TO
THE ROYAL COMMISSION ON BOOK PUBLISHING

The Publishing Industry: A 1. Establishment of A Canadian Book Marketing Board with Regional Distribution Centres throughout Canada.

2. Establishment of Regional Book Cataloguing and processing centres.

3. Accelerated implementation of a standard Book number system.

4. Development and Implementation of an "Automated Book Order System" (Gundel System or Similar)

5. Industry-wide effort to make Canadian Books more attractive looking.

6. Introduction of Cost saving methods in the areas of Production, Administration and Distribution.

   e.g. (a) Increased availability of paperback textbooks;

   (b) Production of Encyclopedias and other reference books as paperback or soft cover books;

   (c) Introduction of loose-leaf Encyclopedias with monthly updating service.

7. Inauguration of an "Annual Canadian Publisher's Book Fair" to be held every spring in Toronto.

The Ontario Government
Department of Education

B 1. Expansion and Regular Updating of anotated "List of Recommended Books" for use in Elementary and Secondary Schools.

2. Granting of a Leave of Absence for Qualified Subject Teachers or Groups of Teachers to prepare needed Canadian Textbooks at full salary and without loss of seniority or other considerations.

3. Encouragement to knowledgeable and qualified persons outside the teaching profession to prepare texts or write books on subjects useful to Canada.

4. Introduction of stimulation grants to Educational Institutions under a to be established "Buy Canadian Books" program

5. Support Boards of Education on the introduction of Library Technicians with the aim to achieve a higher degree of Professionalism from the Librarian and subsequently providing the time to select Canadian Books relevant to Curriculum Requirements.

Please Note:

In the event that the Industry feels unable to comply with Recommendations A 1 and A 2 serious consideration should be given by the Ontario Government to create Regional Book Distribution and Processing Centres serving the needs of Educational Insritutions throughout the province.

As indicated in my opening remarks this afternoon, I do not profess to have all the answers but I hope that I have given the people vitally interested in this problem some "Food for Thought" and possibly some sense of direction. Permit me to close with the saying that has become one of my favourites and which has become the slogan for many of my associates.

"The world is moving so fast these days, that a man who says "It can't be done" is usually interrupted by someone doing it." I hope that this someone is a Canadian.

Thank you.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

ALPHATEXT SYSTEMS LIMITED

APRIL 15, 1971

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

on the need to consider

THE EFFECT AND BENEFITS OF TECHNOLOGICAL INNOVATION

in

PUBLISHING IN CANADA

March, 1971

Alphatext Systems Limited

233 Gilmour Street

Ottawa 4, Ontario

OBJECT OF THIS BRIEF

The present concern over the future viability of the publishing industry in Canada must be reduced to fundamentals - aspects of cultural content, the production cycle, and the distribution channels. These must first be considered jointly in the context of our position today in Canada, and second, in the context of desired goals for the future. Only then, can a national program be established to work towards these government and industry goals to effect a defined determination of self control in an industry where control is paramount. The principal object of this brief is to present an argument for the assignment of a high priority by the Commission to the information industries of the future which will be built on new technological innovations. The implications of technical innovations in the publishing industry in Canada are not readily visible today but nevertheless, it is believed that their effect will be very significant in the next five years.

NEW INFORMATION ORIENTED INDUSTRIES IN THE U.S.

An opportunity exists to recognize the nature of the future Canadian information industries by studying the strategic manoeuvers in the United States of present large information oriented industries and by considering possible implications of these manoeuvers.

Consider the Xerox Education group which is comprised of 10 companies: Ginn & Co., an old-line Boston-based publisher of elementary and secondary textbooks; American Education Publications, a producer of classroom periodicals such as "My Weekly Reader", R.R. Bowker, publisher of book and library trade magazines as well as bibliographic and reference works; University Microfilms, one the world's largest providers of rare and cut-of-print materials; Xerox College Publisning, a publisher of textbooks in the humanities, social sciences and physical sciences; Xerox Bibliographics, producers of library cards and computerized book catalogues; Xerox Education Sciences, specializing in a new science program for elementary schools; Xerox Learning System, a producer of training programs for industry and colleges; Gower Press, Ltd., a London-based publisher of management books and industrial surveys, and Xerox Films, a producer of films for schools and libraries.

In an interview which appeared in The New York Times on December 27, 1970, Robert W. Haigh, head of the Education Group (which had revenues of $111-million in 1970) of Xerox Corporation stated that Xerox has been concentrating on building new software - that is, information and educational materials to solve the nation's problems in the field. He went on to state that they are now at the point where they have enough know-how to create an educational system utilizing sophisticated computer hardware and two or three years down the road total systems will be fully implemented.

In their annual report of 1969, the New York Times Company stated: One of the promising projects under way in the division is the creation of The New York Times Information Bank. This will be an important advance in information retrieval. It will supplant the traditional method of filing newspaper and other clippings for record and reference. The information will be stored instead in a computer from which abstracts and references can be summoned instantly on demand either on a screen or in printout form. The Information Bank is expected to be in operation in 1971. It will serve The New York Times staff, and its services will also be marketed.

In 1968 Encyclopaedia Britannica's printers acquired a Cathode Ray Tube computer typesetting device to set type for a new twenty-volume Annals of America series, and for possible later use on the encyclopedia itself. Encyclopedias lend themselves peculiarly to the new electronic techniques, for they are massive collections of information, much of which remains unchanging, more of which must now be constantly revised to keep up with the acceleration of knowledge, at increasing cost and delay by conventional printing methods. With the entire text stored on tape, corrections, additions, and deletions may be merged into a reorganized tape in a matter of minutes, and the entire encyclopedia reset electronically in a few days. In its Annals of America project, the Britannica plans to offer teachers or school districts the option of making up their own textbooks from

any combination of the 2,200 articles in the main volumes, and to deliver the offset textbooks in about two weeks.

We suggest that RCA, Xerox, The New York Times, Raytheon and other major corporations that are establishing an information industry in the United States recognize that a publishing house offers a ready-made stockpile of copyrighted information that may some day be profitably disseminated through the electronic media. (Xerox, which bought the R.R. Bowker Co. three years ago, has already begun to computerize Bowker's vast array of reference books.) It will not be sufficient to simply protect and encourage the creation of information in Canada; we must have the ability to maintain and disseminate this information so that it is as readily available and thus pervasive as competing information from other sources. Information knows no political boundaries.

WHAT IS TECHNOLOGICAL INNOVATION

What do we mean by technological innovation? Let us start with a clear picture of what it is and what is is not!

Technological innovation seeks growth in the capability and adaptability of industrial processes, products and services to meet growing needs.

Innovation is not a single, simple act. It is not just the discovery of new understanding, not just the development of a new product or process, nor is it simply the creation of new capital and consumer markets.

Rather, innovation involves creative activity in all these areas. It is a connected process in which the necessary and sufficient creative acts, from research to service, couple together in an integrated way for a common goal.

But we are learning that purposive technological innovation - innovation with a goal, in other words - can produce better, and more timely coupling of relevant research to industrial goals.

But by themselves, R&D are not enough to yield new benefits. They must be effectively coupled to manufacturing, marketing, sales, and service. When we couple all these activities together, we have the connected elements of a total innovation process.

The "stuff" being processed in innovation is information or knowledge - knowledge which is relevant to a purpose.

TECHNOLOGICAL INNOVATION IN PUBLISHING IN CANADA

The first report of the Senate Committee on Science Policy indicates that, of the 100 technological innovations it considers

significant and which took place in 10 industrially advanced countries since 1945, not one has been developed in Canada.

What do we mean by technological innovation in publishing in Canada? We can best answer this question by presenting an example that is familiar. Beyond this one example, there are others in Canada that could serve as models for further investigation.

Alphatext Systems Limited was founded and funded, and has subsequently been built, on a basis which has allowed them to innovate and establish themselves in a new industry in North America which they call "Automated Publishing". To date, they believe they have achieved this objective to a greater extent than a number of much larger firms in the U.S. who have used a very similar strategy to capture a position in what is, they estimate in Canada to be a $300 million a year industry, and in the U.S. to be a $4 billion a year industry.

Alphatext offers an Automated Publishing System Service which is based on production-proven computer software programs which encompass a general purpose full page text composition capability, a time shared text entry and editing system accessable by typewriter terminals, a remote information retrieval capability, and a high speed cathode ray tube phototypesetter which provides graphic arts quality output at an average rate of 10 pages a minute.

This system allows customer work to be done on a production line basis. At the present time, a number of publications are being produced on each of over seventy Alphatext terminals which have been installed in Ottawa, Toronto and Montreal in the last 15 months. Examples of publications being produced are the calendars of the Association of Universities and Colleges of Canada, McGill University, the University of Toronto, the University of New Brunswick, Ryerson Institute of Technology, and others.

Four major federal government cost-benefit studies prepared in the last twelve months on the Alphatext System indicate cost savings of 20% to 40% with significant decreases in total production time.

Alphatext is now entering a stage of maturity, after having grown in the past fifteen months to the point where they have a yearly sales volume of $1,000,000, a staff of 75, and a viable, proprietary computer production process, where they are on the threshold of a period of significant growth and profitability. In 1970 there were three firms offering remote text entry and editing in Canada: Alphatext Systems Limited, Systems Corporation Limited (wholly owned by Italian and U.S. interests), and IBM with their DATATEXT Service. It is believed it was the efforts of Alphatext and the excellence of their service which caused Systems Corporation Limited and IBM to discontinue their services in this area.

In 1970 there were three computer CRT typesetting firms in Canada: Alphatext Systems Limited; SCORE Limited; and McLean Computer Graphics. In 1970 Transamerica purchased SCORE and in early 1971 moved their operation to the U.S. In 1970 McLean Computer Graphics was purchased by Computing and Software Inc. of Los Angeles.

SUMMARY

The innovations being made by Alphatext represents only one of a number of significant opportunities in Canada to improve the productivity of publishing. Technological innovations in the publishing industry in Canada must be fostered and encouraged.

We submit that an opportunity exists in Canada today to innovate in the information industries of the future. If we are to acquire control through leadership in new technologies, enlightened national support of innovation must exist with national goals articulated that optimize economic and national strengths in a partnership of industry and government.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

MR. W. H. E. BELT

APRIL 15, 1971

ROYAL COMMISSION ON BOOK PUBLISHING

ONTARIO

Submission of a Brief

by

W.H.E. Belt
Private Citizen

March, 1971

'Take some more tea,' the March Hare said to Alice, very earnestly.

'I've had nothing yet,' Alice replied in an offended tone, 'so I can't take more.'

You mean you can't take less,' said the Hatter: 'it's very easy to take more than nothing.'

Lewis Carroll.

William H. E. Belt
[illegible]
[illegible]

8 March 1971

The Commissioners
Royal Commission on Book Publishing
Suite S-750
252 Bloor Street West
Toronto 181, Ontario

Dear Sirs

Recent reports and analyses of publishing in Canada have provided a composite picture for the first time. While this brief is essentially a personal one based on more than twenty years' experience in Canadian publishing, it draws on such reports (as noted, P3).

My departure from publishing in 1969 was preceded by a growing personal disenchantment that is reflected in certain of my observations of 1971. A part of my concern was based on a feeling that Canadian publishers were reluctant to work together for their own good. It is interesting to recall that the rumblings of approaching difficulties were discernible in 1969, but not heeded by those now most concerned.

In recent months I have been acting as a consultant to Canadian publishers and producers of educational materials - 'print and non-print'. At an early stage I circulated to Canadian publishers a questionnaire inviting them to indicate problematic areas that they might want to have strengthened. All replies were personally friendly; with two exceptions they were guardedly non-committal, hinting at confidence and, it seemed, deliberately avoiding any mention of trouble areas. Or perhaps the respondents were unaware of their trouble areas.

2...

Samuel Johnson's advice probably applies:

> 'A man doubtful of his dinner,
> or trembling at creditors,
> is not much disposed to abstracted meditation
> or remote enquiries.'

The Government of the Province of Ontario is to be commended for its appointment of this Royal Commission and on its selection of able commissioners. And its previous and continuing support of Canadian textbooks through the policy embodied by the Ontario Department of Education's Circular 14 has been and is most encouraging.

I am appreciative of the opportunity afforded by the submission of this brief and I cherish my association with Canadian publishing. In my opinion, the publishing of good books is a nation's prime resource. And it is fitting that the hub of English language publishing in Canada is the capital city of the Province of Ontario.

Respectfully yours

/jdt W.H.E. Belt

PREAMBLE

This personal analysis implies the essential social function of publishing in Canada and the responsibilities publishers have for the dissemination of Canadian culture, education, and information. If a Canadian identity is to be maintained, Canadians young and old must be assured of access to Canadian books, especially in the expanding social sciences and humanities where Canadian viewpoints and values are urgently needed. The risk that such books might be curtailed is likely to increase in proportion to the increase in publishing ownership outside Canada.

In recent years we Canadians have been compelled to protect our national expressions through governmental offices. Studies and Royal Commissions such as the O'Leary, the Massey, the Fowler, and the Davey have determined where we need greater security. The Canada Council and the Canadian Film Development Corporation provide most of their funds to areas outside publishing. Until the alarums and excursions of the recent financial crises, book publishing has not ranked with newspapers, magazines, films, radio and television as a national resource.

In the current wave of nationalism, there is ample room for confusion. It is to our disadvantage that we tend to admire Americans so much and imagine that we need their money to guarantee their standard of living - for us. And we see and enjoy their films, television, magazines, and books - most. So much so that when we declare our Canadian national ambitions, we are sometimes accused of being anti*American, when we are only being pro-Canadian. And our newspapers, etc., use their spellings and pronounciations. But our books don't - usually.

It is through books and learning materials that Canadians can best preserve their identity and awareness. This appraisal stresses that Canadian educational publishing, viewed as 'the bread and butter' side, is hampered on several counts, and too often by its own publisher-creators.

The publishers who are in trouble financially are Canadians and they have perpetuated confusions of their own. They are perforce competitive, but there are many areas where they could act in a cohesive, positive way to their mutual advantage.

They rarely stand together.

Their individual and collective deficiencies are suspected to be the underlying cause of their

plight. Critics would urge that, before Canadian publishers deserve support and recognition, they should put their houses in order. There is evidence to suggest that money, or the scarcity of it, is not the root of the problem.

This Brief does not consider related areas such as book manufacturing and printing beyond the acknowledgement of the excellence of their contributions to Canadian book publishing.

In urging governmental recognition and support, it is felt that book publishers must remain completely autonomous and free of controls and restrictions.

This Brief is in five parts:

1. Preamble
2. Recommendations (constituting a resumé)
3. A list of the problems
4. A list of the solutions
5. Covering personal letter.

This Brief draws on Reports such as The Canadian Book Industry (Ernst & Ernst; Department of Industry, Trade and Commerce, 1970); surveys and submissions of The Canadian Book Pblishers' Council; Compulsory Licences and the New Technology: the Canadian Copyright Institute Brief to the Federal Government Interdepartmental Committee on Copyright, April 1970; industry surveys carried out by Quill & Quire; A Paper given to the CBPC Seminar at Cleveland's House by Mr. Jack Stoddart, [illegible] 1970

The Problems.

1. Alarming statistics show that the number of Canadian books published and purchased in Canada is declining in proportion to the number of imported books (in 1969, 25% Canadian and an additional 10% adapted Canadian). Current anxieties relate to the take-over of Canadian publishing by American giants, and the awareness that most Canadian books are bought along with imported books for Canadian libraries, through American jobbers (80% of books purchased by libraries and 92% purchased by universities were imported). At the college level, according to figures prepared by the Department of Industry, Trade and Commerce in 1970, only 13% of textbooks used are of Canadian origin. According to recent surveys the proportion of Canadian to American schoolbooks is lower each successive year.

It is significant that until recently accurate statistics have not been available.

2. Most Canadian publishers seem unable to operate profitably. One of the anomalies of their Canadian condition is that McClelland and Stewart, after completing its most profitable year (1970), is urgently pleading for new funding.

But there are notable exceptions to the seemingly inherent pattern of unprofitable publishing, as exemplified

by M.G. Hurtig in Edmonton, an energetic bookseller turned publisher who has defied accepted norms and standards to develop a new Canadian list that is exciting and appears profitable.

3. Competition is massive: Canadians are served the world's literary and academic riches in abundance. Books abound, especially from the US and the UK. The diffused domestic market, under the massive weight of so many imported titles, is oversupplied.

American book clubs flourish and American reviews and recommendations (Wilson's, ALA) are most respected (see below).

And yet Canada's export market is limited. Other countries have greater protectionist measures than Canada. The US 'manufacturing clause', for example, hampers ~~the~~ a major export potential.

4. There is growing competition (and some confusion) from 'the new technology'. Although the future of the book seems now more assured than it did ten years ago, non-print (audiovisual) materials are looming as competition. Publishers have to consider diversifying and entering into a multi-media market, (especially those involved in educational publishing.)

5. Canadian publishers are not supported by Canadian institutional buyers. The major bulk-purchasers -

educational, institutional, governmental - practice 'buying around'. Booksellers expect maximum discounts, full protection, and special service. BUT...

6. Publishers' services are sometimes deficient. Many booksellers have stated that their most consistent problems are caused by publishers. According to a Quill & Quire survey, nearly half of the booksellers polled said that they received poor service from publishers. Complaints are frequently applied to

slow service
uninformed travellers
competitive practices.

7. Canadian jobber and cataloguing services are also criticized as unreliable. Librarians and institutional purchasers claim that the Co-operative Book Centre, for example, failed for fifteen years to provide adequate collated order processing, the kind of service they urgently wanted and had reason to expect from a Canadian source. Its detractors define the major reasons for its failure as (i) it was operated by a committee of publishers and (ii) its best service could be no better than that of its slowest publisher-supplier.

8. The scarcity of top-rated, well-staffed bookstores outside the three largest cities imposes limitations on publishers and the reading public. Even college bookstores,

with few exceptions, are woefully inadequate and too often manned by untrained personnel.

9. The lack of financial support from governments has been distressing when it is realized that low-interest loans and development incentives seem to be more readily available for businesses other than book publishing.

10. The Canadian Book Publishers' Council has proved to be ineffectual in critical areas, and does not enjoy a devoted membership. In a recent survey of book promotion methods conducted by the CBPC, fewer than half the members participated. The CBPC represents the 'old guard' publishers and the industry in Canada is achieving its most vibrant expression without it. The new, independent Canadian publishers who are unencumbered by non-Canadian attachments, are attempting to fill the gaps they feel the older publisher-importers have left. They point out that many members of the CBPC are not publishers, but jobbers. And the establishment publishers are not satisfying the essential cultural needs of Canadians. There is tension between the two groups. There is need for a cohesive, responsible, and authoritative association of Canadian publishers. Its membership need not be large.

Le Conseil Supérieur du Livre, closed to foreign owned publishers, has been more effective in its dealings with Ottawa and internationally.

11. Photocopying and copyright infringement have plagued Canadian publishers more than most, especially in the educational market. Most illegal photocopying is done in institutions supported by public funds - schools, universities and libraries. It is estimated that 220 million pages of copyright material will be reproduced by Canadians in 1971 without payment to authors and publishers.

12. Small printing runs imposed by the limitations of the Canadian market cannot mean large profits. Canadian investors and financiers are not inspired to consider publishing a promising speculation. Residual rights and large paperback runs are not added enticements to be counted on. Investment capital is wary of publishing in Canada, whereas in the US, communications giants such as CBS, RCA, Time-Life, Xerox, IBM and Litton are deeply involved. The result is that the biggest publishers in Canada include those owned by CBS, RCA, Time-Life, Xerox, IBM and Litton.

13. Canadian literary journals do not have popular appeal and there is no medium for the circulation of book reviews on a national scale. Readers in Canada depend on American reviews if they are conscious of any. A recent survey of 'media Response to Book Promotion' sponsored by the CBPC has pathetic overtones. And regretably, it fails to consider areas of prime potential such as school magazines and journals addressed to teachers, professors, and students.

14. The future autonomy and prosperity essential to the survival of Canadian educational publishers is threatened by:

(i) the ready availability of mass-produced American materials, aggressively promoted.

(ii) lethargic parents, teachers and students who do not care whether or not their books contain Canadian factual information and provide Canadian viewpoints.

(iii) traditional patterns of using imported school-books; for example, the Irish Readers used in New Brunswick a hundred years ago.

(iv) teachers' innovations and their inclination to create their own learning materials. Versatility and spontaneity, while probably desirable, can preclude books.

(v) the replacement of basic, 'authorized', 'required' text-books purchased in large, assured quantities over successive years by school systems, with a multiplicity of materials. The school library is now the resource centre. While pedagogically desirable, the resultant fragmentation of the Canadian publisher's limited market constitutes a threat in economic terms.

(vi) competition from institutional and governmental bodies such as the Queen's Printer (considered unfair competition in certain areas by commercial publishers) to school systems replete with elaborate photocopying equipment. Publishers are finding that the systems they cater to are now in the process of eliminating a sizeable part of their market. Information Canada holds new promise, and possibly new threats.

(vii) young people are not encouraged to own their own books and build their own libraries because government grants provide 'free textbooks for all' and books remain the property of the board of education.

(viii) trade publishers are inclined to look on schoolbooks as a source of profit to be applied to more celebrated trade book publishing, rather than to augment the school list. Too often publishers of both trade and educational books may use the profits of the latter to endure the losses of the former.

15. Problematical limitations of Canadian publishers include: (a) financial - well documented elsewhere.

(b) research and development - only about half of the Canadian publishers perform any specific kind of market research, for example.

(c) publishing traditions and practices are perpetuated because senior publishers inherit their appointments or achieve them after progressing upward through common channels. The notable training grounds are reported to be the most conservative, branch-office establishments. The Canadian Book Industry report (Ernst & Ernst, 1970) shows that 60% of publishers thought that the marketing management within their own industry was weak.

(d) their characteristic Canadian caution which tends to restrict aggressive development.

(e) home-office controls and the imposition of restrictions, whether real or imagined.

SOLUTIONS.

Solutions abound and it might seem that solving the listed problems would be straightforward enough. But Canadian publishers tend to be wary of certain solutions, especially where governmental financing, protective legislation, working together and sharing statistics are involved. Certainly, governmental provisions must not hinder creative publishers nor impose any kind of censorship. Tariff restrictions on imported books and quotas of Canadian books forced on booksellers and teachers would be ~~a kind~~ forms of censorship. Canadians must continue to have access to the best of the world's literature - but including Canadian titles.

Protective restrictions should be avoided and books should not be 'protected' merely because they are Canadian (good or bad). Canadian authors, artists, publishers, and printers must be responsible for the quality and appeal of their books with the rejection of inferior material a real possibility.

Long-term, low-interest loans and easier financing would take the pressure off all Canadian publishers and would be welcomed as long as strings are not attached. But what is needed most of all is improvement within the industry.

More specifically:

1. Better management services of a variety that publishers seem unable or reluctant to provide, or to obtain outside. Woods, Gordon and the Clarkson specialists have not been the universal saviours they were expected to become. Publishing has peculiarities not generally found in business and it may be wrongly presumed that efficiency experts and management consultants can rescue poor publishing practices.

2. Because Canadian publishers cannot count on recognition and support from their prime customers, they must improve their services and then develop a greater awareness of their products in the thinking of librarians, booksellers, teachers and the public.

3. Canadian publishers need to mount an energetic campaign to break away from the current depression that surrounds the publishing industry in Canada. For far too long, but increasingly so in recent months, the Canadian public has come to think of Canadian publishing in gloomy terms. The industry can recover its dignity, its authority and break new ground in the essential areas of efficiency and service.

The growth potential of publishing in Canada is tremendously exciting. The opportunities are greater than ever before, just as the responsibilities are.

Recommendations.

1. That there be established a Canadian Publishers' Development Corporation supported financially by provincial and federal governments, with the appointment of an experienced Canadian publisher as head. Because English language publishing is centred in this province, Ontario should be a prime instigator of such an organization.

2. That there be established regional book service depots including subsidized retail bookstores in areas across Canada not now well served, and that they be equipped to serve the Canadian public in ways now too rarely known. Somewhat in this connection, Information Canada should work closely with publishers in its informational services.

3. That government departments - Trade and Commerce, Industry and Development, and External Affairs, support and encourage all aspects of Canadian culture and education at home and abroad with Canadian books emphasized to a greater extent than in the past.

No governmental department should become an 'unfair competitor'.

4. That there be a consolidation of Canadian publishing co-operation. A few strong, responsible, and profitable Canadian publishers can help to nurture a multiplicity of small, gregarious publishers.

5. That those best able to write books, especially ~~those~~ books of an educational nature, be given concessions (of time and money) to enable them to prepare their material under the most favourable circumstances.

6. That where Canadian books are desirable in non-profitable publishing areas, publisher costs should be defrayed through governmental subsidization.

7. That special provisions for financing be made available to Canadian publishers to encourage them to produce qualitative books without financial risk.

8. That governments establish a system of collecting royalties on the photo-copying of copyright materials so that authors and publishers can receive adequate compensation, and that governments assist in the enforcement of copyright restrictions. Schools and universities should be discouraged from photo-copying on special terms.

9. That a national book review service be provided to newspapers and magazines across Canada.

10. That provision be made for translation of Canadian books from English to French and the reverse, to stimulate biculturalism.

11. That the special talents and resources of Canadian authors, publishers, artists and printers be strengthened and consolidated to provide a greater awareness of Canada - nationally and internationally.

12. That Canadian publishers organize themselves into an effective force for their own good, the CBPC notwithstanding.

13. That tariff restrictions on imported books and any imposed or enforced recognition of Canadian books are not desirable. Canadian books should compete with all other books on the market-place. But they must be available - efficiently and attractively so.

14. That educators, the public generally, and publishers be encouraged to give preferential consideration to Canadian educational books.

15. That publishers should assist teachers in being innovative. As an integral part of the information industry, publishers must know that learning and teaching are going to be more deeply affected by the new availability of information than any other area of human life. Canadian publishers have obvious responsibilities in the information revolution now under way, and helping teachers to express themselves spontaneously is one of them.

16. That governments (without any BNA distraction) intensify educational research and provide for the involvement of publishers, to ensure the availability of qualitative materials commercially produced. (Certain Ontario Institute for Studies in Education publications are considered unfair competition). Non-Canadian research is, of course, important but Canadian educational research is urgently and vitally so.

17. That it be recognized and appreciated that the conditions of book publishing in Canada are unlike those anywhere else in the world. A strong, confident publishing industry is necessary to the perpetuation of Canadian ideas and values quite apart from economics and chauvinistic tendencies.

ONTARIO

ROYAL COMMISSION ON BOOK PUBLISHING

BRIEFS

to the

ROYAL COMMISSION ON BOOK PUBLISHING

APRIL 16, 1971

24

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

SCIENCE RESEARCH ASSOCIATES
(CANADA) LTD.

APRIL 16, 1971

Brief to:	Royal Commission on Book Publishing, Suite S - 750, 252 Bloor Street West, Toronto 181, Ontario, Canada.
Brief submitted by:	Science Research Associates (Canada) Limited, 44 Prince Andrew Place, Don Mills, Ontario, Canada.
Date:	April 2, 1971.

C O N T E N T S

I INTRODUCTORY SUMMARY OF BRIEF

SRA Canada has operated under Canadian management in a highly autonomous manner since commencing operations in 1965. We have pursued a threefold policy of operations:

(a) to market and service product developed by our parent company;

(b) to develop, market and service indigenous product;

(c) to develop and market multi-national products.

Funds for our continuing product development program are generated from on-going business.

We are engaged solely in the publishing of educational materials of instruction (Exhibits A - H).

We market and develop materials of instruction in many forms. Much of our domestic success can be attributed to relevant, innovative, contemporary products and professional in-service provided by our Staff Associates (marketing representatives).

We are one of the largest exporters of elementary and secondary materials of instruction in Canada. Our exports of indigenous, multi-national products enable us to provide more and better materials for Canadian students than would be possible in a limited domestic market.

The materials of instruction published by SRA Canada and its parent company have been used by millions of children in Canada and abroad. Our teacher training has been extended to thousands of Canadian teachers.

It is our belief that we have operated on a professional, educationally sound, and ethical basis. We intend to continue to operate in this manner.

INTRODUCTION

SRA Canada has operated as a private company in Canada since August, 1965. SRA Canada assumes the publishing and service responsibility for Canada, the Bahamas, Bermuda, the West Indies, and Guyana. SRA Canada operates under a Province of Ontario Charter. The Executive of SRA Canada are Canadians with an extensive background in Canadian publishing. There are presently five Members of the Board, four of whom are Canadian and one from the U.S.A. SRA Canada operates in a highly autonomous manner with decisions for such areas as product development, marketing and administration being made in Canada by Canadians. Funds for product development are generated from our Canadian operation. Other than for original capitalization, we have had no financing from our parent corporation.

Science Research Associates (Canada) Limited is a wholly owned subsidiary of Science Research Associates, Inc., of Chicago, Illinois. This company is, in turn, a wholly owned subsidiary of International Business Machines Corporation Armonk, New York.

SRA Canada's operating policy is threefold:

(1) We market and service educational materials produced by the parent and/or sister subsidiary companies. Since we are a relatively new company, sales from direct imports or Canadian produced versions of U.S. developed product represent the majority of our sales volume at present.

(2) We develop, market, and service indigenous Canadian materials produced in this country.

(3) We develop, produce in Canada, and market educational materials which are aimed at multi-national school markets.

Those activities described in items (2) and (3), while representing a small amount of our total sales at present, are areas in which we are expanding at an ever increasing rate. This brief is designed to explain to the Commission what we are doing in areas (2) and (3) and why it is an important contribution to educational publishing in Canada.

As our publishing activities are in some respects unique, we would like at this time to make certain points to the Commissioners about our operating policy outlined in (1), (2), and (3) above.

(a) We publish and market only materials of instruction designed for educational markets.

(b) We publish and market in many differing forms other than books. These include kits, learning systems, skill development programs, tapes, films, computer-assisted instruction, simulation kits, reading accelerators, and a wide variety of tests (both hand and machine

scored).

(c) Our Staff Associates (marketing representatives) are all qualified teachers - most have had several years of classroom experience in Canadian schools. Much of their time is spent throughout Canada in conducting teacher workshops and seminars dealing with various aspects of individualized instruction.

ECONOMIC IMPLICATIONS

MAJOR PROBLEMS IN THE BOOK INDUSTRY

In the Ernst and Ernst study of October, 1970, as prepared for the Federal Government, the following comments are made:

"The major problems in the book industry in Canada as identified by the members are:

(a) Limited indigenous demand

(b) Significant importance of book imports consumed

(c) Low volume of exports".

OUR PLAN OF ACTION

In 1965, when the company was established, the Executive of SRA Canada, because of their extensive experience in Canadian textbook publishing, were aware of these types of problems. We therefore set out the operating policy which is

described in this brief.

This basic policy resulted in several decisions which are outlined below.

STAFF

The overwhelming majority of our employees are Canadian. Most of our development, marketing, and management staff have a background of practical teaching in various Canadian provinces, educational administration experience, and one or more degrees in education.

PRODUCTION

Production of materials developed by SRA Canada takes place in Canada. This involves various techniques and several media, e.g., tapes, kits, films, books, pamphlets, and other materials of instruction. Canadian production of materials developed by SRA (U.S.A.) has also become extensive during our brief period of operation.

We employ Canadian designers for both indigenous and multi-national instructional materials. We use Canadian artists and designers for our illustration and design work. For example, Exhibit A. During the development of Exhibit A - Language Development Program - we contracted with two authors, nine artists, one photographer, and one designer. Exhibits B,C, and D all reflect a similar concept of development.

We use Canadian raw or semi-finished materials where available for the production of our various products used in the instructional process.

DOMESTIC MARKET

It is our opinion that our services and products from all sources have been highly successful in Canada for the following reasons:

(a) The products have been educationally sound, relevant to the changing needs of the schools, innovative, and exciting to the learner.

(b) The products have been introduced and are serviced by our professional Staff Associates who are constantly in touch with contemporary educational practices.

(c) SRA Canada has conducted professional teacher training in a wide variety of educational areas such as continuous progress, modular scheduling, linguistics, learning disabilities, simulation, and contemporary social sciences. Several thousand Canadian educators have attended training sessions offered by our company. Wherever possible and wherever available, qualified Canadian educators have been used as instructors at such sessions.

EXPORTS

SRA Canada has embarked on a policy of international exports. Because of the significant amount of research and development funding required for SRA Canada to expand its development of indigenous Canadian materials of a contemporary,

relevant nature, SRA Canada has sought markets outside of Canada. Broadening our marketing potential has made such products economically viable. (Example: Exhibits A - B - C - D.)

Exhibit A - Sales of this product over a five year period are forecast at 12% domestic and 88% export.

Exhibit B - Sales are forecast at 28% domestic and 72% export.

Exhibit C - Sales are forecast at 72% domestic and 28% export.

Exhibit D - Sales are forecast at 50% domestic and 50% export.

Exhibits A and B have now had ten months and eighteen months repectively in the marketplace. Sales closely approximate the forecast. Exhibits C and D have just been published and figures are not available.

The impact of this type of marketing on the development of future materials of instruction is obvious to all concerned. By having export markets that assist in off-setting large research and development costs, SRA Canada can provide Canadian children with more relevant, innovative, Canadian-developed and produced materials. Based on current available statistics, we are already one of the largest exporters of elementary and secondary materials of instruction in Canada.

CULTURAL IMPLICATIONS

Culture is a historical reality. Culture does not spring forth fully defined and simply work itself out in history. Rather cultures grow, develop, and

define themselves in time and space. Canadian culture is growing out of the efforts of Canadians moved by a spirit of Canadianism to grapple with distinctively Canadian problems. This Canadian spirit is marked by pioneering, exploration, concern for freedom, individual effort and a high degree of personal initiative. We do not accept the attitude of caution usually attributed to Canadians. We would prefer to take our own fate in our own hands and make our own way.

We feel that by our development program we are pioneering in the sense of exploring creative possibilities of Canadian authors, teachers, artists, designers, and creative personnel. Today we market and produce products which are unique in Canada. Personal initiative has assisted greatly in bringing about such new products as you see before you today. Our concern for individual differences has assisted greatly in the development of individual learning programs. Our concern for "relevant" contemporary education is exhibited by our product development and marketing techniques.

Canadian problems have assisted in bringing about unity among Canadians attempting to wrestle with distinctly Canadian problems: with vast geographic differences; with the discovery and development of bountiful natural resources; with an economy caught between Europe and the United States of America; with different traditions of religion, morality, and customs; with artistic models of great variance in literature, painting, and architecture which reflect our wide variety of social and cultural experiences; and finally with the incorporation of new peoples with their own social and cultural patterns into a Canadian life style.

SRA Canada feels that it is contributing to this life style by:

(a) publishing in the major languages of Canada. We have just published the first of our materials of instruction in French. Other products are in preparation.

(b) fostering the development of literacy and basic language skills.

(c) perpetuating traditions of the country through integrating social and historical themes indigenous to Canada into instructional materials which we develop.

(d) developing materials which draw upon contemporary Canadian social science research.

Our publishing stress has been on the development of curriculum materials which provide for individualized instruction. During the past five years, various Royal Commissions on education from the Plowden Commission in the United Kingdom to the Hall-Dennis Commission in Ontario, have stressed the need for individualized instruction. Through the various laboratories and kits, which SRA Canada has marketed or developed, we have pioneered in making it possible for a teacher in Canada to provide for instruction in reading skills, arithmetic skills, writing skills, etc., at a wide range of levels within the same classroom. This "multi-level" approach has been accepted by teachers in over forty countries in hundreds of thousands of classrooms where our materials have been used successfully.

SRA Canada is proud of the major part it has already played in preparing International Editions of the SRA Reading Laboratory Kits and in manufacturing these in Canada for export to our sister companies in the United Kingdom and Australia as well as to other countries.

We have started an indigenous publishing program and wish to draw your attention to the various books in our Individualized Reading Skills Program. Our materials have also been used in the raising of basic literacy standards in Canada Manpower classes and courses for New Canadians. Because of the unique nature of our individualized materials, we enable the teacher to provide a wide range of levels in the classroom situation. Our Staff Associates work with the teachers to make certain that maximum benefit is obtained from our various multi-level kits.

SOCIAL IMPLICATIONS

Since commencement of our operations in Canada in 1965, we estimate that over five million students have utilized our individualized instructional materials. We feel we have made a major contribution to Canadian education in the raising of reading standards. There have been several educational research studies made by both school boards and other agencies on the use of our materials, and their findings support this contention.

Our contribution to adult re-education is best indicated by our continuing sales to these various agencies, both provincial and federal.

We have now launched a publishing program of French language materials and are proud to announce our first such product in Exhibit D (Dynamique d'apprentissage du Langage). Other materials are in the course of preparation and will be published in early 1972.

Over one hundred and fifty thousand Canadian teachers have attended our various in-service training programs on a complimentary basis. We have prepared films for teacher training. Because of our success in the improvement of reading skills, we would also suggest that we may have contributed to the success of other Canadian publishers who produce books which are read for pleasure and improvement. Many more Canadians are now able to enjoy and profit from books because of their improved reading comprehension and speed as developed by our materials.

In conclusion it is our firm belief that SRA Canada has been a positive force in the development of various aspects of the educational process. We have marketed and serviced products produced by our parent company. We have developed and marketed educational materials for Canadian and international markets. We have produced multi-level products for export to the United Kingdom, Australia, and the United States. We are continuing to spend a significant percentage of our returns from sales in the research and development of new educational materials.

We feel that we have operated on a professional, educationally sound, ethical basis during our short period of operations in this country. We intend to continue to operate in this manner.

EXHIBITS TO BE PRESENTED

Products Developed and Produced in Canada

A. Language Development Program

B. International IIa Reading Laboratory
(A major revision of a U.S. product)

C. Individualized Reading Skills Program

D. Dynamique d'apprentissage du Langage

Products Developed and Produced in the U.S.A.

E. BRS Satellites

F. Computational Skills Development Kit

G. Reading Laboratory IIIb

H. SRA Reading Program

RECOMMENDATIONS TO THE ROYAL COMMISSION ON BOOK PUBLISHING

FROM SCIENCE RESEARCH ASSOCIATES (CANADA) LIMITED, APRIL 16/71

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1. Book Publishing Courses at the Tertiary Level.

In order to staff an efficient book publishing industry in Canada, courses should be established in both English and French, for the training of young people who wish to make publishing a career in this country. These courses should be offered at the community college or university level and should cover the main phases of publishing: editorial, production, financing, administration, and marketing.

2. Aid to Developing Countries.

(a) Through the Canadian International Development Agency, a number of junior publishing executives from developing countries should be brought to Canada to participate in these university publishing courses.

(b) In addition to this, the Canadian International Development Agency could arrange for one-week publishing courses for publishers in developing nations. Suggestions are as follows:

(i) Singapore - for South East Asia countries;

(ii) Kenya - for Central Africa Countries;

(iii) Ivory Coast - for French-speaking countries of that area.

(iv) Jamaica - for the West Indies.

There should be no problem staffing such courses as several Canadians are now senior executives in the international publishing field.

3. Export of Canadian Educational Materials.

Due to its population, location, and history, Canada is in a unique position to build markets for its educational materials. Both English-speaking and French-speaking developing countries have a high regard for Canadians, and publishing companies here should profit from these attitudes.

By following basic principles of international publishing, firms in Canada can penetrate the two largest English-speaking markets (the USA and the United Kingdom) and provide valuable services for both English-speaking and French-speaking markets in many other countries where publishing experience and educational materials are limited.

By following the recommendations made above, Canadian publishers should establish a circle of publishing friends in other countries. Visits to schools in these countries will provide opportunities for Canadian publishers to test out concepts, and to suggest new products and adaptations of materials for these developing markets.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

CANADIAN WRITERS' GUILD

APRIL 16, 1971

25

SUBMISSION

TO THE

ONTARIO ROYAL COMMISSION ON BOOK PUBLISHING

BY

THE CANADIAN WRITERS' GUILD

There has been endless discussion about Canadian culture and Canadian identity, but there can be no doubt as to the need for a healthy Canadian publishing industry, publishing Canadian books, in order to guarantee the survival of the Candian consciousness. All McLuhan pronouncements to the contrary, in the literate world the printed word remains one of the most important avenues of awareness, including self-awareness. One need take only a few minutes to imagine Canada without any indigenous publishing industry at all to understand what that would mean.

The sense of identity is nurtured on reflections -- not exact reflections, as in a mirror, but reflections of ourselves as returned to us through the minds of our artists and thinkers. The visual arts, song and story, theatre, books, newspapers, films, radio and TV. Canada can afford to lose none of these forms of self-expression and self-definition.

She cannot afford it because she is a member of the English-speaking family of nations, and while this membership enriches her enormously in many ways, she must not succumb to the recipient role only. She will always be beset by the temptation to allow the two most powerful cultures of the English-speaking world to do her thinking for her, her speaking for her, and to create her entertainment. But Canada has thinkers, writers, performers. She has a contribution to make -- both to her own people and to the world.

Therefore it is of vital importance that we continue to publish Canadian writers in increasing numbers. If we are to know who we are, we must be able to meet ourselves in print, as often as possible, from the time we first learn to read.

Only recently we have struggled to the stage where Canadian writers in some number are able to command respect, interest, attention - at home, and occasionally abroad. Yet the opportunities for publication here are still so limited that the writer, like the performer who leaves the country in search of work and recognition, is frequently obliged to look for a publisher abroad.

Many of the briefs submitted to this Royal Commission will provide details of the financial predicament of the publishing industry, and suggest remedial measures.

Many submissions will argue for or against substantial foreign ownership in the publishing industry. In this connection we note that the economic, cultural, social and other consequences of substantial foreign control are self-evident -- the loss or lessening of control of our own destiny. However well-behaved as Canadian citizens our foreign-controlled companies may be at present, there is no guarantee that they will continue to be so in the future. The higher the proportion of the industry under foreign control, the less amenable that industry need be to the requirements of Canadian needs and the Canadian good.

We see few benefits for the people of Ontario and

Canada from a tightly-closed, over-protected publishing industry -- if these conditions were to make the industry the private preserve of a small, exclusive club of publishers. Nevertheless, we are convinced that it is as important for control of the publishing industry to be in Canadian hands as it is for Canadians to retain control of their newspapers, radio and TV. What we hope the Commission will achieve is a formula which encourages fresh ideas, fresh techniques and fresh capital to revitalize the industry, and at the same time provide firm ground rules that insist on Canadian control.

The primary concern of the Canadian Writers' Guild in making this submission is that Canadian writers, and particularly new writers of merit, continue to be published in increasing number.

As matters now stand, the monies available for the publication and promotion of Canadian writers are so limited that the unknown writer stands very little chance of being published. Understandably the publisher is wedded to the profit motive; his survival is at stake. The funds at his disposal are unlikely to be used on a new writer if there is the option of a reduced risk on an already-proven writer.

It is a competitive atmosphere, and the new writer is low man on the totem-pole. Yet it is from today's unknown writers that the great Canadian writers of tomorrow will come. For this reason, we feel that new writers require

special consideration, and we respectfully submit the following recommendations:

1. We suggest that publishers be offered grants, further tax concessions and low-interest loans for the specific purpose of publishing works by new writers of merit.

One of the possible sources of funds for this purpose might be a special tax, to be absorbed at the publisher's level, on books sold but not produced in Canada -- along the lines of the CAPAC formula for promoting the works of Canadian composers. This tax need only be a few cents per book.

2. Adequate promotion is essential for new writers and part of the funds made available from the above mentioned sources should be earmarked for this purpose. Imaginative and successful marketing would tend to make the initial loans self-liquidating.

3. An aggressive promotional policy abroad would project a positive Canadian image. Both levels of government, therefore, should co-operate in actively extending the international promotion of Canadian books, either through existing channels or through the creation of a new portfolio. There is no reason why the unique flavour of life in Canada and the Canadian consciousness should not be transmitted to citizens of every literate country in the world in the same way that other cultures are made available to us.

4. In the educational field, special awards should be made for outstanding works. These awards should be well

publicized to encourage writers to undertake such works.

Canadian poetry and prose could be introduced to the literature courses at much earlier levels than they presently are, and used more intensively at the higher levels. Teachers throughout the provinces could be encouraged to familiarize themselves with the Canadian books available by the provision of special, up-to-date lists.

5. In conclusion, we feel that the Canadian publishing industry deserves top priority in the form of low-interest loans and grants, in the same way that foreign enterprises are being so generously encouraged to extend their operations here in Ontario.

This brief and its recommendations are presented to the Ontario Royal Commission on Book Publishing with the earnest hope that that body's findings will eventually produce a vastly improved publishing climate, not only in Ontario but throughout the entire country. We would like to assure the Royal Commission on Book Publishing of our full co-operation.

THE CANADIAN WRITERS' GUILD

The members of the Ontario Royal Commission on Book Publishing may be forgiven if they ask themselves who or what the Canadian Writers' Guild is, for this group did not exist until a few weeks ago.

The reasons for its formulation and the necessity for its existence have been crystallizing over a three-year period, beginning with the first of a series of creative writing courses at Glendon Campus, York University. The success of these courses as a launching pad for new writers indicates the wealth of potential writing talent in Canada.

Writing is a lonely art, but even among writers, the evolving writer is perhaps the loneliest. Uncertain of his talent, with little experience to bolster his ego, his goal is to be published, to gain recognition, and in so doing to contribute to the cultural vitality of his country. He deserves direction and encouragement.

The collective needs of such evolving writers provided the impetus for the formulation of the Canadian Writers' Guild. There was a common desire to pool knowledge and to provide encouragement and help. The Guild hopes to provide this in the form of editing services, evaluation and market guidance, and possibly, at some future date, even publishing.

March 15, 1971

CANADIAN WRITERS' GUILD

Executive

President .....Geoffrey White, public relations, Ontario Hydro

Vice-President ..... Saul Field, artist, publisher, film-maker

Second Vice-President.William Whelton, trade publications

Honorary Vice-President..... Edward Parker, writer, publicist, instructor in creative writing at York University

Treasurer ..... Edward Vlahov, pharmacist

Secretary ..... Mary Collins, personnel clerk

Recording Secretary.. Barbara Allen Roe, psychiatric nurse

Committee Chairmen

Publications ..... Robert Dickson, product-publicity co-ordinator with Stelco

Public Relations .... Dolores Ewen, editor-consultant with W. J. Gage

Constitution ..... Michael Collins, Department of Transport

Finance ..... Ernest Warr, manager, Toronto-Dominion Bank

Membership ..... Joyce Cleverly, CBC

Advisory Board

Heathcote Gibbs..... graphic arts

Bella Pomer ..... editor

Paddy Robertson .... actress

Robert Dickson ..... publications

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

PENDRAGON HOUSE

APRIL 16, 1971

PENDRAGON HOUSE LIMITED

Our firm is very small, with only six fulltime employees. It is owned by John Badger of Mississauga, who also owns Pendragon House (U.K.) Limited and Pendragon House, Redwood City, California. The latter two firms are just beginning. There is no outside financing except working-capital loans from the Bank of Montreal, so that the Pendragon complex is as it has always been Ontario-Canadian in ownership.

HISTORY

Mr. Badger began Pendragon on August 1st, 1961, working alone, and with a capital of only $1200. A journalist and advertising copywriter in background, with some production knowledge, he specialized at first in creating book promotions for other publishers. Shortly thereafter, he also obtained contracts to sell advertising space for two journals; later, to do public relations for a variety of distinguished clients outside the publishing field.

In 1964 Mr. Badger began to publish specialized journals for Associations. A year later he established two of his own: The Canadian Scientist and New (which later specialized in book reviews). In 1967 and 1968 Mr. Badger also operated Pergamon of Canada, as president, while continuing to keep Pendragon open. He sold Canadian Scientist to Pergamon.

At the end of 1968 Mr. Badger left Pergamon which had a year-end Price, Waterhouse audited profit of $55,000. His aim: to establish Pendragon as a book publisher and distributor. He began, still without fulltime staff, to import six lines of scholarly British books.

Today, two years later, Pendragon imports 25 lines of British books, has a fulltime staff of 6, has increased its floor space from 188 square feet to 3200, mainly warehouse. Its 1969 profit of $700 after taxes was followed by a 1970 figure of $2600.

In January 1971 Pendragon launched two Canadian book societies, The Classics Club and The Zane Grey Club, for an American publisher. This is a highly profitable job, so that, along with enhanced British book sales, the prospect for increased profit is excellent.

In February Pendragon co-published its first book "Canadian Libraries" by Toronto Chief Librarian Harry Campbell. Two other Pendragon books are in preparation, and negotiation with three further authors is in process.

At the end of March Pendragon will launch itself in a new role: that of the sole firm specializing in the sale of Canadian books abroad. Mailings to the U.K. and the U.S.A. libraries will feature Ontario Government Books (see exhibit) and Books of Canada's Old West (by a BC. publisher and another in Alberta)

In a May mailing Pendragon will send out leaflets on New Brunswick books, along it is hoped with those of some Ontario firms. It is planned to have both U.S. and U.K. Pendragons warehouse and ship books on their own. Everything in their progress will depend on mailing results.

Pendragon does not solicit financial assistance from government, but believes that the following idea may benefit the Ontario book-publishing industry while providing the Ontario Government with a source of financial profit.

THE PENDRAGON PROPOSAL

The chief problem of the book publisher in Canada is to get loans from the bank. The banker sees this customer as a poor businessman in a hazardous field, with assets of only his receivables, a few skilled staff, and a bit of office and warehouse gear.

We propose to increase the publisher's net worth in the eyes of the banker by changing a liability, rent, into an asset: a monthly mortgage payment of principal and interest. The publisher paying monthly on the purchase of his own premises is a far more solid figure in the eyes of his banker. Specifically his net worth is increased by his equity in his quarters.

We propose that the Ontario Government set aside a large warehouse, or convert any very large one-storey building not now usefully employed, into a one-storey complex of office suites and warehouse space. This building would be reserved for Ontario book and journal publishers under, say, a net worth of $500,000.

The publisher could move in by making a down payment of as little as, say, $1 to 5 thousand dollars for his office suite alone. Besides his mortgage payment on the balance he would also rent warehouse space according to his needs at, say, $1.50 a square foot. On paying for his offices he could, if he wishes, buy warehouse space as well, instead of renting it, and his lease would contain a rent-with-option-to-buy clause fair to both parties.

The several publishers in this building could share common services; e.g., a forklift and operator, common billing and accounting services, common industrial garbage, etc., in order to get their other costs down. There are many other common areas, e.g., gummed-tape and corrugated paper roll purchase, etc.

In this way the publishers would own more net worth, would reduce their costs, and could obtain bank credit more easily. At the same time the Ontario Government would profitably sell a white elephant.

BRIEF

to the

ROYAL COMMISSION ON BOOK PUBLISHING

SUBMITTED BY:

PROGRESS BOOKS

APRIL 16, 1971

Submission to the

ROYAL COMMISSION ON BOOK PUBLISHING

Ontario

with SUMMARY and APPENDIX

April 1971

from PROGRESS BOOKS, TORONTO, Ontario.

SUMMARY:

This submission examines the state of the book publishing industry in the context of: the essential continentalist policy and submission of senior government levels to increasing U.S. ownership and control; the new shape and powerful thrust of the U.S. publishing conglomerate into the Canadian market and its accompanying organic absorption of Canadian-owned enterprises; and the special ideological character of the publishing takeovers as distinct from the growing U.S. domination of raw material sources and plant manufacturing.

It is argued that with foreign economic control comes an accompanying political domination and eventual loss of sovereignty; but that more particularly the process of takeover in book publishing is interwoven with a concomitant ideological surrender - that makes easier the physical acquisition of the commanding heights of our economic and political life.

The erosion of an indigenous Canadian publishing industry has gone so far, and the economic and political surrender of our independent initiative in this field has been so sapped that emergency measures are now required to stop the drift that has become a floodtide. Such measures include an end to further foreign takeovers; large direct government loans (long-term and low interest) to Canadian publishers in need of working capital; favoring of smaller distinctive publishing houses developing programs of a unique and stimulating kind; control of the distributive systems in the country to give an even or better break to Canadian titles and authors; a subsidized block library purchase plan for Canadian titles; and finally the setting up of a publicly-owned crown corporation to develop, research and publish textbooks required by our educational system.

The emphasis in this brief is to advance measures that will stimulate and preserve not only an independent Canadian publishing industry - both private and publicly-owned, but to guarantee a continuing attention to the matter of the democratic content of published output; the promotion of themes as yet unexplored or insufficiently developed in the matter of the history and present status of Canada's original peoples; the labor and farm movements; Quebec; the story of our immigrant peoples and other like subject matter.

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> "It is a choice between a national literature and annexation. If all the books and periodicals the people read emanate from New York and Philadelphia, the government might as well be moved to Washington at once, for it will go there in the end if this country is Americanized through the dominance of a foreign press precluding adequate and national expression of thought and feeling."
>
> - William Arthur Deacon

This dismal prophesy and prospect is fast approaching if not already upon us, as so many facts of the hour suggest. Written close to half a century ago in 1926, the warning of this eminent Canadian author, literary critic and book editor have obviously by and large gone unheeded by our governments and officials. The moment of truth is indeed upon us, and a good many Canadians of no matter what persuasion in political or social life have properly struck a note of alarm. The will to resist has in part been eroded - not only by an overwhelming flood of books from south of the border and the organic takeover of an indigenous Canadian publishing industry; but by an accompanying ideological assault both internal and external to justify the final obliteration of the Canadian book.

We like to believe that while the process is far-advanced, it is not too late to stop the drift

to an irreversible state of satellitism in the book publishing industry - and all that it portends for Canada's present and future.

The future for Canadian publishing is inextricably bound up with the relentless "drang nach norden" of the U.S. publishing giants. This holds no idle threat for Canadian book publishing - one of the potential ideological barriers to this northern thrust. In reply to a question about the future of Canadian publishing, the poet Earle Birney, linked the fate of the industry with this process: "It has a future so long as Canada has, and exactly as much. So long as this country remains a small political satellite of the United States, involved in the American economy of waste and war, our cultural future will be negligible." (Canadian Literature No. 33 Summer 1967)

This Commission's hearings come late in the day. Certain trends have set in, which, in the absence of emergency short-term measures, will make more difficult the longer-term solution involving the need for a decisive break right down the line with the prevailing policy of a North-South continentalism sacrificing our resource industries, raw materials, manufacturing, political and foreign policy, military direction, social and cultural life to the mercies of U.S. financiers, and conglomerates that straddle the border - and indeed the world.

The takeover trend is now understood as never before, although incredible as it is, there are many voices in high places who deny it, or at any rate refuse to do anyting about it; or which may in fact be worse, offer palliatives and token solutions which may for a time delude people into thinking something in fact is being done.

Recognition of the problem was noted in Senator Keith Davey's preface to the Report of the Senate Committee on Mass Media (Volume 1, December 1970) in which he regretted that the book-publishing industry had not been covered and wrote: "It deserves attention, because this industry is encountering serious financial difficulties and appears to be coming increasingly under foreign control. We believe it is urgently necessary to consider whether this industry - like banking, uranium, broadcasting, and newspaper and periodical publishing - should not be declared off-limits to foreign takeovers."

William Davis, when Education Minister, told a Renfrew, Ontario audience (Toronto Telegram Jan. 21, 1971) that he was seriously concerned by the growing U.S. influence on our cultural life. He urged more action by the educational system, and publishing industry to meet this problem. On becoming premier of Ontario, Mr. Davis told the Canadian

Club (Toronto Daily Star March 2, 1971) that "As Canadians we must ensure that we have the means to direct the course of our country economically, culturally and socially." This appeal comes strangely from a level of government which turned a deaf ear to the province-wide protest about the sale of Ryerson to a U.S. publisher and has shown a limited inclination to come to grips with the problem, notwithstanding the launching of this inquiry.

On another government front Energy Minister Joe Greene told Commons February 18, 1971 "The national interest must always be first" when Canada's largest independent oil producer Home Oil Co. was up for sale to a U.S. company. Hopefully current negotiations for government purchase of a controlling interest in the company will succeed, but the future course is bedevilled by the intention to surrender the new acquisition to the contradiction-ridden although as yet unborn legislative proposal for a Canada Development Corporation. To underscore the paradoxical and equivocal position of Ottawa, Jean Chrétien, Minister for Indian Affairs and Northern Development, on March 9, 1971, assured an agitated Dallas, Texas audience of petroleum engineers and entrepreneurs "we will remain an open country" for U.S. dollars despite the fears of "some Canadians"

about whether present Canadian controls are adequately protecting Canadian interests.

Book publisher, Mel Hurtig, to his credit, despite being a foreign policy adviser for the Liberal Party, is one of those openly expressing such concerns. On March 5, 1971, he told McMaster University students that he believes the expected report on foreign investment in Canada by Revenue Minister Herb Gray, will be emasculated by the government if it ever reaches the legislative stage. Mr. Hurtig incidentally is one Canadian publisher who has expressed himself unequivocally as favoring legislation to bar further foreign takeovers of segments of the book publishing industry.

Coming closer to home, Allan Grossman, Ontario's new Trades and Development minister, has been even more obdurate than his predecessor in declaring firm opposition to measures that would curb foreign domination of our industries and resources. (Toronto Daily Star, March 11, 1971). Passing the buck to the federal level of government he declared: "I don't want to give the idea that we are not concerned about control of our own economy. But talking about it and, actually doing something about it, were different things." This should deepen an already profound cynicism and rejection throughout the country for old-line party politicians. It is at least a

candid, if thoroughly unpalatable admission that there is not the slightest correspondence between the utterances of old-line party politicians and their deeds.

This ambivalence and reluctance to take effective action, as in the case of the successive takeovers of the Gage and Ryerson textbook publishers, and now the not-excluded threatened takeover of McClelland & Stewart - betrays the essential support which government still gives to the continentalist or integrationist policy, despite this or that mild remonstrative pinprick, which the notorious "elephant" to the south of us contemptuously shrugs off, as it continues its ponderous path towards Manifest Destiny, and realization of its ancient dream of physical annexation, albeit in a new form.

A case in point is the Book of the Month Club which distributes 300,000 volumes a week, has 90,000 members in Canada, and is reaching for 100,000. It is currently distributing the highly questionable Khrushchev Remembers of doubtful authorship; while it sweetens the pill with Pierre Berton's The National Dream. Its top manager in charge of the Club's Mechanicsburg, Pennsylvania automated physical plant, a Mr. Charles Corrigan, recently hosted 20 Canadian publishing executives. In an expansive moment during the dinner party he is reported to have observed: "I think Canada and the United States are all one country."

(Globe and Mail Magazine, March 13, 1971) This inept disregard of Canadian sensitivity on the score of its growing subordination to the U.S.A. is typical and is the reality underlying the surface appearances of good neighborliness or good corporate image-making of U.S. branch plant managers in Canada.

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The trend to U.S. takeovers and the necessary responses to it have long been predicted and dealt with in works published by Progress Books. As early as 1948 one of these titles warned of the dangers inherent in the St. Laurent-Abbott Government proposals for integration of the Canadian and U.S. economies, the inevitable end of which would be complete absorption. (Canada - the Communist Viewpoint by Tim Buck, 1948). A further work provided a detailed analysis of U.S. corporate ownership in Canada (The Anatomy of Big Business by L.C. & F.W. Park, 1962) which advanced the concept of nationalization for the first time in a spelled-out form as the key to rescuing our economic substance and repatriating those key sectors of our raw material and manufacturing base that have already been lost to the U.S.A.

Today on every hand this warning is receiving fresh confirmation in new books, new studies, new policy positions of political parties and new movements. Even the ruling governments are forced to take note, if only to generate new reports, and without disrespect,

new commissions. Thus Ottawa has before it now two major reports, Foreign Ownership and the Structure of Canadian Industry (Watkins' Task Force Report, 1968) and the External Affairs Committee report (June, 1970) on Canada-U.S. relations. A third is now pending on foreign investment from Revenue Minister Gray.

If there is a mounting concern about the steady alienation for all time of our sovereign command over our natural resources, raw material extractive plant and manufacturing industries - then surely the alarm and danger is compounded by the continuing erosion of our ability to control our ideological media, and in this case an indigenous Canadian book publishing industry. Organic takeover of the economy - the basis of our sovereign and independent political power is now being reinforced by a powerful undermining of the Canadian will to resist, now taking form in a new pattern of northern extension of the power of the U.S. book, film, sound or videotape industry - integrated and under the command of multi-national giant corporations, the like of which have never before appeared.

These new formations delicately described as "the publishing industry in transition" by Dan Lacy, Senior vice-president of the McGraw-Hill Book Co., in a Business Week feature, March 30, 1971, point up the nature of the new danger that is upon us. The very

day McGraw-Hill bought up Ryerson for a mere $2 million, it paid $89 million to absorb 13 TV stations in the U.S.A. Gone is the day of the old family-owned publishing house - the reality is that of an integrated electronic-communications (radio, sound and videotape, film, TV) fotocopying magazine and book publishing giant. "Most large publishing houses," writes Lacy, "are parts of giant corporations, the center of whose interest is quite other than books. Corporations like RCA, CBS, IBM, Raytheon, Xerox and Litton Industries, include in their vast domains large book publishing enterprises ... The lines between book publishing and other communications industries have become blurred. Magazine and newspaper publishers have become major factors in book publishing, as have broadcasting and electronic companies; and book publishers in turn have become very active in film production and distribution, broadcasting, correspondence instruction and the design and sale of educational tests."

One of these giants, Litton Industries, which owns Van Nostrand in Canada (whose president Campbell Hughes ironically was former head of Ryerson and now is president of the Canadian Book Publishers' Council) is No. 9 on the list of the first 25 biggest munitions and military suppliers for the Pentagon. Not only will Litton apparently turn out ideological justific- for the U.S. war in Vietnam - all the way from

primers to post-graduate texts, but it also undertakes to build airbases in South Vietnam and Greece and all the paraphernalia of war. It is a dangerously explosive mixture - truly a cradle to the grave package.

If we underline this argument it is to draw attention to the fact that the new shape of book publishing is thrusting itself on Canada from south of the border to take advantage of a lucrative handy market, while accomplishing a more political aim as an objective and conscious process - that of subordination of Canada to the will of the U.S. industrial-military-political power complex.

But within Canada too - the Canadian empires of publishing in the magazine area and in the field of electronics are also seeking to copy-cat their U.S. counterparts. Admittedly their drive towards integration and internal takeover will be on a lesser scale - but the pattern is similar - in fact their day too is numbered in the face of the sterner overwhelming competition for the market under present conditions of a situation that gives the U.S. corporations free rein in Canada. Maclean-Hunter is one such grouping, identified in the Davey Mass Media report as "one of the giants of the Canadian communications industry". Their current move into educational publishing, the Maclean-Hunter Learning Materials Co.; a takeover of a book distribution

organization, Cooperative Book Centre, supplying libraries; and its active bidding for Ryerson, if not now for McClelland & Stewart are indications of the trend that seeks to ape, in Canadian terms, the U.S. pattern.

Maclean-Hunter president, Donald G. Campbell, is reported (Toronto Daily Star, November 27, 1971): "...we may have to start off with selected lines from outside the country, but our object is to get ourselves in this big league of producers of learning materials." Another example in the current bidding for McClelland & Stewart is a joint offer from AHED Music Corp., a record company and Crawley Films.

Both groupings, Canadian and U.S., hold a danger for the Canadian book - not a promise; and pose the need for a better alternative to the present course - which offers a big-business-dictated programming for the tender sensibilities of our children growing up in a world of big business values, distinguished mainly by a primary concern for profit and anti-social enterprises, not excluding wars of conquest and oppression. The question is not that of bigness or even integration in the world of electronics and the printed word - the fundamental issue at stake is <u>what</u> is to be aired, taped, filmed or published and whether reactionary or democratic social forces are to be in control.

Can we afford to put ourselves in the hands of the McGraw-Hills of this world? When Mr. Lacy enthusiastically reports that the changes underway in publishing has resulted in "an increasing control over the sources and the markets of materials published" can we feel assured that all is well, or when he speaks of marketing books to the ultimate consumer as though he is talking about selling soap, and the anticipated joys of taking advantage of the purchasing policies of colleges, schools, libraries - can one's fears of the giant conglomerate be properly allayed by such glittering prospects of the future technology? Or when he revels in the thought that McGraw-Hill will give new bolder imaginative stimulus to East European authors, unknown writers "of integrity", can we feel assured? One wonders what new assignments are being given this collossus by the CIA to further cold-war international tensions, or to fund campaigns against the socialist world and peoples seeking national liberation in Africa, South America and Asia?

Time and Reader's Digest - both targeted in the Davey Mass Media report as a threat to the Canadian magazine industry are very much involved in book publishing as well, although this area is not covered in the Mass Media report. Thus Time, Inc. has bought out Silver Burdett and Little, Brown, and has become one of the largest book publishers in the

U.S. Ironically, Time and Life books find entry into the Canadian educational establishment via the currently-threatened McClelland & Stewart Hollinger House group. Reader's Digest has recently bought out Funk & Wagnalls and is into general book publishing. Using their advantageous know-how and continental, if not world-wide access to distributive systems - they both bid fair to knock down the defenseless likely competitor on the Canadian scene.

The book goes hand in hand with the periodical press in shaping Canadian values. In this connection, John Porter's views in "The Vertical Mosaic" are of interest. He writes (p.465): "Publications from the United States circulate far more widely than do those of Canadian origin. The consumption of American periodicals in Canada is an ideological counterpart of the external control of the economic system. There can be little doubt that these foreign publications contribute substantially to 'Canadian' values and to the view of the world held by Canadians."

Underscoring the danger is a further testimonial from Ernest Roe, formerly of the University of Adelaide, Australia education faculty, who on a Carnegie grant in 1966 studied the growing new pattern in the U.S.A. of publishers and educators, (School Library Journal, February 1969). He expresses his uneasiness about the "too neat and complete" scheme being devised in current joint arrangements between teachers and

publishers so as to preclude wider and deeper examination of topics - for example, the programming of instructional materials on a restrictive basis. "Will the effect of close ties between teacher-IMC (instructional materials centre - resources centre in Canada - ed. note) - librarian-publisher be a further strengthening of powerful orthodoxies?" And further:

"If I were an American educator I should be troubled about the possible exploitation of education. The big corporations, the publishers of encyclopedias, the makers of educational hardware, seem to be exerting a more and more powerful influence. The time may not be far off when one of them will be able to take over an entire educational enterprise, for example a school district: to demonstrate what can be done with its own materials (and, of course, nobody else's will be used), with the teachers controlled by its own experts (and of course, many educationists are already employed by such corporations). The local citizens ... suspicious of bureaucratic school administrators, state officials ... might be willing to hand over their schools to such business-like control .... Fantasy? I am not sure..."

The prospect is alarming - but not so distant as one may imagine.

A. B. Hodgetts in his report What Culture? What Heritage? (OISE, 1968) covering the teachings

of Canadian history, social studies and civics in elementary and secondary schools across Canada reveals how startlingly ill-prepared we are internally to resist the onward march of this new shape of American publishing. The current crisis of Canadian book publishing only reemphasises the need for an integrated approach both with regard to preventing the physical takeover of publishing in Canada and a radical transformation of the content of education to provide the necessary Canadian orientation and substance that can nourish a distinctive and viable Canadian publishing program.

Timothy Reid, a member of the Ontario Legislature in his Oct. 9, 1970 address to fellow MPP's provided an alarming picture of the spill-over into Canada of the U.S. publishing conglomerates like McGraw-Hill and Litton Industries. "Obviously they think they can make money....but more than that they like some of the distribution channels that are available to the school system."

All their new sophisticated videotape cartridges and other hardware are being prepared for this ready-made market. To offset the Americanization charge they want the goodwill name of an old established company. Science Research Associates was bought up by IBM to cary this out. Canadian sales representatives front for the IBM where U.S. agents are unwelcome.

That is one of the reasons why Ryerson was bought out by McGraw-Hill. "I think they want to use those channels," said Mr. Reid, "to market their mass-produced educational materials other than the written word." His view was that Egerton Ryerson, if alive today, would have warned "against the folly of the possibility of Business Week having a direct feed-in into the curriculum and minds of our children, via McGraw-Hill buying control of Ryerson Press." But that is exactly what is happening. The silence and inaction of all levels of government gave the green light to this takeover, which has let down the barriers to another wave of U.S. books and electronic materials.

II

Much of the evidence is already known to this Commission about book purchasing habits, the alarmingly low proportion of Canadian-authored, Canadian-theme books in our libraries, schools, educational establishment in general, bookstores, corner pocket-book displays, etc.

This formidable picture, apart from the facts of the erosion of Canadian ownership itself in book publishing, should be sufficient evidence alone - that is, the end result data of book purchasing and selling in Canada - to show that fundamental problems are involved beggin/immediate and long-term solutions and belying those, chiefly the Canadian branch-plant U.S. concerns, who keep assuring government officials that all is well - and that the Canadian identity and special cultural need in the form of Canadian-authored and Canadian-theme books will be served by their good corporate citizen presence. The facts apparently show otherwise.

The Ernst and Ernst Report on Book Publishing and Manufacturing in Canada (October, 1970) reveals that 80% of total book imports in publishers' sales value for 1969 originates from the U.S.A. - a total of $115 million. Of the total $144.8 million imported from all countries, $56.2 million or 39% were textbooks. Trade books accounted for $51.1 million or another 35%. The rapid breakdown of a distinction between textbook

and trade book in terms of utilization in the educational system - shows the powerful and dominating influence which the U.S.-originated book has in the market.

The same report observes (p.37) "about 5% of all books sold are authored, published and manufactured by Canadian controlled publishers."

In the matter of textbook publishing, the report notes "Particular significance must be placed on the general unwillingness of textbook publishers to modify United States editions to Canadian requirements. In most cases, economics of publishing short runs is cited and sociological or cultural implications are treated as secondary."

There are equally revealing facts of another kind. Thus a letter to the Globe and Mail on December 1, 1970, reported on the current Annotated Bibliography in Adult Basic Education issued by the Federal Dept. of Regional and Economic Expansion. Of the 379 publishers listed, 83.4% were U.S. ones and of the 51 "Canadian", many of these were Canadian in name only.

Officials of McClelland & Stewart, Canada's largest still-existing Canadian-owned commercial publisher, report that they can only find a market for 500 of their cloth-bound editions in the Canadian library system on the average for each title published. There are an estimated 9,000 libraries in Canada.

A study of the Toronto Public Libraries selected listing of "150 Books" (1968-1970), recommended by librarians of the Adult Services section, reveals that only 28 Canadian-authored, Canadian-theme, Canadian-published titles deserve mention - or 18.6%. Of the 28, eight of these were published by U.S. or British branch-plants in Canada. One cannot entirely fault the librarians here, but if selection systems are subjected to: the pressure of a hard-sell automated supply from the U.S.publisher or agency and even lucrative accompanying discount arrangements to sweeten the incentive; an accompanying frenetic public relations sales campaign and sales representative visit; programmed book reviews and expensive advertising in the mass media, one can little wonder at the imbalance created in this area of recommended readings and book selection for our libraries.

Campbell Hughes, when general manager of Ryerson Press reported to an Ontario Library Association seminar (September 29, 1969) that out of $20 million spent each year by university and college libraries it was doubtful whether 5% of this amount was placed as orders with Canadian publishers. The claim that university librarians cannot fill their needs through Canadian publishers is largely exaggerated. The truth is they are increasingly subordinating selection orientation and processing to foreign jobbers creating an imbalance in their

collections as well as a hardship on Canadian publishers, while using government funds to support such a trend.

In 1968, a significant brief on textbooks to the council of ministers of education across Canada never saw the light of print. Its contents have now been revealed. An ad hoc committee led by John Gray of Macmillan Co. of Canada reported that the percentage of new textbook adoption of Canadian origin across Canada dropped from 77% in 1965 to 69% in 1966 and to 59% in 1967. The estimate is that it is down to 50% currently. Textbook adoption by itself of course, is no assurance that even these will find entry to the classroom.

A recent March 5, 1971, conference on Canadianization of post-secondary education in Toronto heard a report from Professor of English, Alec Lucas of McGill University, who surveyed university calendars across Canada covering 1,150 undergraduate courses in literature at 27 universities. Of the total number of literature courses 92 were on American letters and 55 on Canadian literature. Of 450 graduate courses, 40 were purely or partly American; 20 were purely or partly Canadian. Of the 61 graduate courses given at the University of Toronto, there is only one course on Canadian literature.

Clearly again this imbalance in Canadian studies; or, taken another way Americanization of faculty and course work at the university level is

bound to depress the demand for the Canadian book - whether in preparatory stages or finished and published manuscripts - and thus undermine the future of the Canadian publishing industry.

III

Our view is the time has come for deep-going urgent measures to meet the problems facing the Canadian book publishing industry. The Canadian book is too valuable a resource to leave in the hands of either native-born big-business tycoons that dominate our printing presses and mass media; and certainly too vital for our survival as a country to surrender piecemeal to the U.S. publishing industry. We propose a blend of crown corporation government ownership of textbook publishing and government aid to the Canadian-owned and controlled publisher in the field of trade publishing. The areas in which action has become mandatory are the following:

1. legislation to stop further takeovers by foreign interests
2. marketing and distribution
3. loans, grants and subsidies
4. public ownership of the textbook industry serving the educational system of this country from elementary to post-secondary levels.

1. Legislation to stop further takeovers by foreign interests. As with radio, TV and newspapers - book publishing should be designated a sensitive sector of economic and cultural life and declared out of bounds to foreign takeovers. Some of our biggest Canadian publishers - with a proud record of publishing Canadian authors, and Canadian themes have in deference to their bankers and boards of directors expressed a hesitancy on this score. Their patriotic fervor seems to falter when

it comes down to the crunch. They appear to have no hesitation in selling their Canadian company to the highest bidder, and should there be no Canadian wishing to buy, they will cheerfully surrender the company to a foreign interest. This has already happened with the Ryerson sale to McGraw-Hill, when Canadian-owned Maclean-Hunter was evidently also bidding. It is not excluded in the current case of McClelland & Stewart. Under the circumstances, can the Canadian government sit idly by? We think not - and the fears of Canadian publishers wishing to sell, should be allayed by stipulating that legislation to bar foreign takeovers, should include payment of reasonable and adequate compensation.

2. Marketing and distribution. (a) Immediate measures are required to redress the imbalance in stocks of Canadian books on library shelves. A useful proposal is block purchase of editions, in consultation with library officials and educators and selection directed towards propagation of the Canadian book. This would have the further effect of buttressing publishing programs of publishers, stimulating the commissioning of authors and new works on Canadian themes, and developing necessary research into new areas. Financing of such purchases should be through federal and provincial grants.

(b) The apparent U.S. or big-business stranglehold on the distribution systems where the average citizen is most likely to see books - bookstores,

locked into restrictive arrangements with U.S.-owned or controlled publishers output; corner-kiosks or pocketbook and paperback stands throughout the country that exclude in general Canadian titles, or whose entrance is assured with difficulty, particularly if the source of the book is a small publisher. Some means must be assured of giving the Canadian fair display and exposure to possible readers, instead of the present apparent exclusivity or dominance given the U.S. title.

(c) Special means in the form of a subsidized review journal of an objective and non-commercially slanted character should be devised - where good or bad Canadian books will be reviewed (hopefully more good than bad): with the double aim of expanding knowledge and sale of the good ones, and if merited criticism be due certain bad books, that the publishers be thus kept on their toes to raise the standard of quality of their output. The curse of commercial book review pages, advertising programs in the various book trade journals, etc. is that with the best will in the world (and some lack this utterly) those charged with the responsibility of selecting books and reviewing same come under the heaviest kind of public relations pressures from the publishing houses - especially the larger of them. In the area of advertising and exhibit work the price of

these services have become virtually prohibitive to small publishers and even create periodic protest from the larger ones. Book displays are giving way to library and classroom hardware. Special funds should be made available for the exhibits at the larger book functions from government sources. Consideration should be given to the idea of cross-Canada pooled book exhibits in bookmobiles financed by Ottawa in the manner in which Expo 67 was promoted - such mobile exhibits to be staffed by student librarians and other students, as a specific youth project. A further suggestion is that of government consideration to a biennial or annual Canadian Book Fair similar to those held in Europe, or the enlargement or initiation of such Fairs as part of the Canadian National Exhibition or Pacific National Exhibition etc.

(d) A special area requiring urgent attention is the promotion of co-editions in English and French of current titles appearing in Quebec and English Canada and the reproduction in English or French of in-print works to better serve the French and English reader in Quebec and Canada generally. This would be a major means as with radio and TV, for building channels of communication between English and French-speaking Canadians to strengthen the foundations of a united Canada.

3. Loans, grants, subsidies. Most publishers agree that federal or provincial loan funds should be made available to provide necessary working capital for Canadian-owned publishers. That these loans be long-term and low-interest. There is also general agreement that a much more generous program of grants and subsidies be directed to publishers and authors for an advance research period in preparation of manuscripts as well as publishing.

One word of caution here: awarding of loans and/or grants should not be indiscriminate in the sense of an undue favoring of big Canadian publishers. Quantity out-put should not be a major consideration. Eligibility should be based not only on the quality of the works in progress, but on their Canadian-authorship; Canadian-theme; and their manufacture in Canada.

Remonstrations from Globe and Mail editors (March 6, 1971) against long-term, low-interest loans to book publishing come curiously indeed from a newspaper that enjoys a virtual morning newspaper monopoly in Toronto; millions of dollars in guaranteed government advertising; and postal rate subsidies from the federal treasury - while wielding as a private instrument one of the most powerful means for influencing public opinion - the daily press.

All this lecturing from on high about the dangers of spending public monies on book publishing and the perils of subsidizing mediocrity, seems to ignore their own generous dipping into the public purse to the end of putting into print their limited capitalist vision of Canadian and world affairs.

Their dire warnings about "an overflow of nationalism" in the limited proposal to legislate that 60-75% of texts be written by Canadians and published in Canada by Canadian-owned firms (Globe and Mail, March 24, 1971) is another red-herring across the trail. It downgrades the ability of Canadian authors and publishers to produce top-rate materials; it denigrates the work of education officials and teachers who are sufficiently competent to advise on good textbook content; and it falsely suggests that such legislation is meant to exclude the literary riches of non-English-speaking nations. The logic of their position is that their definitions of what constitutes good textbooks should prevail e.g. for example a consistent anti-trade union bias in their editorials and certainly the absence of an objective history of Canada's ~~trade union movement,~~ trade unions, socialist movements, the Communist Party. They are all dealt with as anti-social forces in the main materials set before school children. Even the pre-history and history of World War 2 is distorted

in their pages. And when it comes to dealing with the literary riches of non-English speaking nations there is unrelieved abuse for works published in the newly-liberated countries of Africa, Cuba, the USSR and the rest of the socialist world. Not a word in their editorials about the evident danger from the U.S. publishing giant, on the contrary, an implicit invitation to the McGraw-Hills to come in and take over the business of publishing Canadian books.

From McClelland & Stewart equally has come protest at the idea that they want government hand-outs. All they want is working capital - loans, not subsidies, and together with this a firm warning from Jack McClelland (Globe & Mail, March 6, 1971) to the federal and provincial governments that they stay "as far away from book publishing as possible. It's one of the last areas of true free enterprise". How free and how enterprising is becoming more and more questionable as the truth about Canadian book publishing becomes increasingly evident. Thus Mr. McClelland is not free of his bankers. Is he not the author of the statement made when he announced the company was up for sale that publishing was "a business for wealthy men or for those who have access to substantial financial support."? This surely is a restriction of freedom to publish.

Why is the Globe & Mail so excercised by even the most modest suggestions about aid to a native Canadian-owned book publishing industry - be it privately or publicly-owned? Part of the answer is suggested in the Mass Media Report (Vol. 1, p.28-29) which reveals that behind the Globe & Mail is F. P. Publications Ltd. "by a slight margin the biggest newspaper chain in the country", owning or controlling eight dailies with a combined circulation of 855,170 and with interests in cable TV. Any proposal that ever so mildly hints at curbing or competing with this vast power in the publishing field is bound to be regarded with suspicion by this monopolistic corporation in the communications and media field.

What Mr. McClelland wants since "true free enterprise" cannot supply the working capital needed, is that he get this capital from the public trough, without government control of the fate of the public money and receiving free in perpetuity grants, despite his frequent disclaimers of self-reliance and independence.

A study of the Canada Council 13th Annual Report for 1969-70 will show that <u>one</u> book <u>Harold Town Drawings</u> published by McClelland & Stewart received a $15,000 publisher's grant, another listed took $2,500. The first grant is at least 30 times the average small grant to publishers of $500 per

title. Thus the principle of receiving free government handouts is not at stake with free enterpriser Jack McClelland - rather it is the limited size of such grants and the condition, that no one have a word to say about its disposition but the privately-owned recipient publishers.

Some big "Canada-first" groupings are not averse to using public monies to expand their empires - to become more monopolistic or boost their profits. This is an old tradition that started in Canada's earliest days perfected by the railroad barons and the CPR. Today's plans for a Canada Development Corporation appears to be more of the same thing - where public funds will underwrite ventures which private capital regards as risky or too venturesome. Already the CDC proposal is under fire. From the standpoint of profit - since such is to be the guide, the CDC in its present form would not have taken over Ryerson, had it been in existence. The Canadian interest will not be served by a CDC which avoids public ownership as a principle or seeks to surrender or weaken those already existing crown corporation it seeks to take under its authority, to the machinations of big business.

These same elements cry bloody murder if together with grants of public money goes the idea of

public demoncratic controls of the direction and content of the published output. Theirs is the schizophrenic approach of using public funds to attack public ownership and control, while praising the virtues of a non-existent free enterprise.

4. Public ownership of the textbook industry. This proposal has a three-fold aim: (a) to save this vital and vulnerable area of book publishing against further U.S. takeover and the growing menace of the domination of our educational system with the Made-in-U.S.A. new technologies of film video-tape, and sound cartridges as part of book publishing. (b) to guarantee that in the supply of textbooks to our educational institutions there will not be an imbalance of studies and texts so as to prejudice preservation of a distinctive Canadian heritage, culture and character, as well as the future development of same. (c) to assure that new books will be researched and new technologies developed to serve the need for greater knowledge about our history, our peoples and our future development as an independent united and sovereign Canada. Such public ownership would under public democratic controls and participation of Canada's best talents in the arts, writing field, educational and librarian areas develop new unique contributions featuring the realities of French Canada and the Quebec nation, including co-editions in English and French; the

contributions of Canada's working people and farmers as well as its famous engineers, artists and men of science - and political leaders, many of whom still remain to be honored; the story of Canada's Indian and Northern peoples, and that of our immigrant peoples.

One cannot fault the positive works of individual "trade" publishers, university presses, and others who have contributed to some denting of this area of book publishing - but the time has come for new and qualitatively different forms of government-assisted publishing that will guarantee the kind of output that is necessary from Canadian presses and publishers to meet the challenge to our cultural and literary survival - and to better realize the possibilities of giving a democratic direction to this essential program of publishing.

Nothing short of government takeover in this field will do the full job in the face of the U.S. threat outlined earlier in this brief. Those in commercial textbook publishing know their days are numbered and the crisis in the industry is sufficient proof of this. A Canadian Development Book Corporation incorporating public ownership in the textbook field would be a necessary form.

Some justification for this point of view was revealed during the events surrounding the sale of

W. J. Gage and Ryerson and after. In the matter of Gage, a Toronto Daily Star (November 18, 1970) editorial urged that Ottawa or Queen's Park acting cooperatively should if necessary offer Gage "an alternate buyer in the form of a crown publishing company for school textbooks." The editorial further advanced the idea of expropriation at fair value if such an offer proved unacceptable.

The Manitoba Government has let it be known that it is interested in going into the business of textbook publishing.

The Toronto Graphic Arts Labour Council - representing all the printing trades unions declared: "Textbooks are too vital to our country's future to be under private control, much less foreign control. Publishing is at least as important as TV, radio or film where Crown corporations have long been seen as a necessity. We must demand a Crown Corporation to publish all our school textbooks." It urged that an immediate 75% of all requirements be purchased in Canadian authored and Canadian manufactured textbooks. The Council is urging that such a Text Book Development Crown Corporation research and develop texts for schools, colleges and universities. A similar stand was taken by the Ontario New Democratic and Communist Party organizations.

The Ontario Federation of Labour (November 2, 1970) endorsed a resolution urging government purchase of textbooks that are manufactured in Canada

and voted against the foreign takeover of the textbook publishing industry.

Secretary of State Gerard Pelletier told a March 2, 1971 conference of publishers and others in Ottawa it was "indispensible" that the government come to the aid of the authors of school texts. "If the publication of their books is not commercially possible, government subsidies must make it so..."

Campbell Hughes, president of the Canadian Book Publishers' Council and former head of Ryerson told a December 16, 1970 meeting of the Toronto Graphic Arts Labour Council he favored the idea of a Crown Corporation to produce text books so long as it had the right guidelines. As one who apparently sought to prevent Ryerson going to the U.S., Mr. Hughes told the meeting that he was now president of the Van Nostrand house, which is owned in turn by Litton Industries in the U.S. "I was head of Ryerson and tried to sell it to Canadians, but the Canadian financial community was disinterested. I ask you how can we finance Canadian ownership?"

He expressed unease about the U.S. influence in Canadian publishing but told the meeting the money to publish textbooks was with the U.S. companies and that is why he went to Van Nostrand. It is astonishing that Mr. Hughes should opt for a formula

which in the final analysis surrendered control to a foreign interest, when he himself gave such an eloquent financial argument for the only obvious alternative - public ownership of the textbook industry. The claim that Canada cannot itself rally sufficient capital to finance publishing of textbooks is becoming ludicrous in the face of overwhelming evidence coming to light that U.S. interests finance their vast expansion in Canada out of surpluses taken out of their Canadian operations - and in addition benefit in various tax-free arrangements and loans apparently unavailable to Canadians.

Frank G. Brisbin of the United Church of Canada in replying to those critics condemning the church for selling out Ryerson to McGraw-Hill (Toronto Daily Star, Dec. 1, 1970) with some justice (if one cannot agree with the church's mercenary search for the highest bidder - even if it meant selling to the U.S.) writes: "...the church should not be made the scapegoat for any indifference or inaction of others in controlling the textbook market. The ultimate responsibility for assuring sufficient quality and choice of Canadian content in textbooks and other teaching aids should not rest with a church. It should not rest even with publishers, but with the appropriate levels and departments of government, school boards, teachers and parents - whose children go to school each day, to learn from books and who

elect those same governments to act on their behalf." The best instrument again, we suggest to achieve this purpose is a publicly-owned system of textbook publishing.

We were unable to get a full picture of the large sums of public money now going into the publishing of books. But the long-standing publishing program of the Queen's Printer of Ottawa, and more currently that of the Government of Ontario, together with the extensive and growing books in print list of the CBC - reveal that there is talent, skills and funds to publish vitally-needed books. And that in fact many titles are being published which would otherwise never see the light of day. The books in print list of the University of Toronto are close to 1,000 we believe and together with McClelland & Stewart are the most prolific publishers of Canadian titles. This is a non-profit subsidized operation, which as a university press goes beyond the narrow call of duty in its range of titles, serving increasingly a wider public, which the present level of commercial publishing appears to find difficult to accomodate.

However, with regard to the U of T press we cannot go along with the idea that it is uniquely free, independent and "above politics" as suggested by its present director in <u>The University as Publisher</u> (U of T Press). For example, perusal of its otherwise
1961

useful books in print list will reveal a singular absence of materials covering the life and work of Marx, Engels or Lenin. Nor will it feature Canadians like Norman Bethune, known around the world for his blood transfusion work and surgery in the advance pre-World War 2 battles against the rising fascist danger. The fact that he was a member of the Communist Party may have something to do with this evident lapse. As with Bethune so too with the trade union and socialist movement. Department heads in their selection of topics to research and write about bring their prejudice and class bias to bear on their scholarship - and in many cases to the detriment of the subject under review.

In Ontario itself the Education Minister's reports for 1968 and 1969, reflecting data for 1966 and 1967, on expenditures on books for primary and secondary school systems shows how much public money is going into the library and textbook budgets. Surely these vast sums could be better spent while simultaneously guaranteeing the survival of the Canadian book for our schools.

Total expenditures were $46 million for 1966; $48 million for 1967. Based on an annual estimate 10% increase in spending - 1970 totals would be approximately $60 million. If 25% were spent on books originating from other countries there would still be $45 million available for spending among

Canadian-owned publishers, and for Canadian authors and texts.

Estimated spending on textbooks for the country at all levels (1969 data in Ernst & Ernst Report) reveal that 65% of all sales are for textbooks at $142.7 million. All this spending of public money for textbooks has been going on while the Canadian textbook industry is being forced out of business or being sold to U.S. interests.

There will be many counter-arguments to the suggestion of crown or better publicly-owned and controlled textbook publishing. How will it work? Where will it get the money? Will Canadian publishers participate, and how? Or will the government move in and take over all the publishers? This last question of course, seems academic since U.S. interests are already moving in to take over the commanding heights of the textbook industry. And what about government interference with the free flow of authorship and the independence of the publishers, censorship, and freedom of thought? All these spectres are being raised.

They were raised when Ontario Hydro came - when the CBC was formed, and other Crown Corporations. But these, with all their shortcomings have been clearly justified over the years. Their weakness, as in the case of the CBC, is that their power to provide for the common good is that they work within

the profit and capitalist content and that their future is being constantly threatened by the power of monopoly and the big press-radio-TV chains who lobby continually to turn toe CBC into their own image. A constant public and democratic watch is required to protect these publicly-owned ventures against their dissolution. Commercial broadcasting has argued that it could serve the national indentity and Canadian consciousness better than public ownership - but what they did was to simply open the flood-gates to the greater wastelands of U.S. TV and radio - a veritable pollution of the mind. A similar argument is advanced by the big guns of commercial book publishing - in particular the U.S. ones. A book publishing corporation governing public ownership in certain fields like textbooks, could create barriers to such a deterioration of the publicly-owned enterprise.

Much as we respect the views of W. H. Clarke of Clarke, Irwin & Co. and his company's enviable record of publishing Canadian authors and Canadian themes, we cannot agree with his opposition in principle to a state publishing house to produce all educational materials "a suggested solution which would endanger the free flow of ideas - without which the educational process would die."

But is this not happening precisely and now under the present alleged free enterprise system?

Those who are most vigorous in condemning a publicly-owned system of producing textbooks look with an apparent indifference on the step by step sale of Canadian plants to the highest bidder - in most cases the U.S. conglomerates? Would not this final outcome rob us of every vestige of our freedom to educate our children, let alone the freedom to having a book publishing industry itself? Surely every available fact shows the dangers to the free flow of ideas, let alone the Canadian identity, in this present trend. But publishers of textbooks, apparently without exception ~~have already and~~ are prepared to sell their enterprises to U.S. interests, and will not go on record for preventive legislation to stop such takeovers. In the name of freedom, they would surrender to the dictation of the U.S. giant corporations like McGraw-Hill.

Significantly, the still-remaining textbook publishers: Clarke, Irwin; McClelland & Stewart and the Book Society argue as a block against being barred from selling their plants to U.S. interests.

This, plus their chronic incapacity to work up sufficient interest in the Canadian financial community for working capital - shows how close we are to the end-point for textbook publishing under Canadian control. The privately-owned companies in the field appear no longer capable of serving the

national interest in the matter of textbooks. Only public ownership in this area, as with other facets of Canada's economic life, now alienated to U.S. ownership and control, can rescue or repatriate our publishing industry. In any case why saddle the principle of public ownership or state intervention in this matter with the misdeeds of those who really stopper up the free flow of ideas, who program our book output in the boardrooms of high finance and dominate our library selections? It is monopoly and the drive for inordinate profits that endanger the publishing industry - not the public ownership principle.

We recognize that it is a public ownership within the context of the present-day value and political power structures of capitalism that we are advancing. And we know that such formations are subject to the eroding pressures of unregulated vested interests and political lobbying by powerful interests in high places. That is why the launching of public ownership systems imposes the responsibility of building into such enterprises the necessary democratic safeguards that will prevent their deterioration or usurpation to anti-social forces. On the panels directing the affairs of such an enterprise should be not only educators, librarians and administrators - but along with them elected

representatives and spokesmen of various public organizations and associations - trade unionists, farmers, church and fraternal, etc. The performance of such an enterprise would at all times reflect the relations of forces within the country as between progressive and reactionary ideas. An essential feature of any publicly-owned publishing enterprise should be a built-in requirement that all manufacturing and printing of books sponsored by public funds should be done under conditions of labor, and at wages regarded as standard by existing trade union bodies. Far from such a publishing body restricting the free flow of ideas or constituting another bureaucratic agency, it has the possibility, properly implemented, to expand the horizons of the present in fact restricted publishing pattern in this country. It would provide fuller scope to our authors, graphic artists, skilled trades in the industry and vastly expanded the unexplored areas of our own history and culture, in terms of research and development as well as the commissioning of new works ignored by the commercially-controlled publishers, and even those subsidized presses operating on limited budgets.

Examples of this work are already before us in the published output of the CBC and the

Queen's Printer - but the possibilities have been barely touched.

There need be no surrender of the private initiatives of presently existing publishers. What is required is not wasteful duplication of effort, but properly coordinated programs. Such a publicly-owned structure would open the doors to the smaller but distinctive publisher, pioneering new content areas and forms and offer adequate incentive to existing plants to take on publishing contracts. Should such plants refuse to engage in publishing textbooks for our educational system, then other means can be found to achieve these goals.

The suggestion that we have nothing to fear from U.S. capital dominating the publishing field; that we should mechanically accept U.S. branch-plant publishing of all the Canadian books we need is fraught with danger for Canada's cultural and political survival.

Our concern with the Canadian book publishing industry, the Canadian theme and the Canadian author, should not be interpreted as support for a narrowly-conceived nationalism. On the contrary we see the emerging struggle for a Canadian-owned publishing industry as an integral part of a larger responsibility which is to welcome and advance both the publication and distribution of the best written works of all

lands, advancing democratic and progressive ideas, the emancipatory teachings of the world's greatest social and political thinkers and knowledge about other peoples and social systems.

There is no contradiction in our view between a genuine and popular love of country and a people's internationalism that reinforces real sovereignty and independence. We are not anti-American in pointing to the dangers of U.S. monopoly's intrusions on our cultural life. We vigorously import and distribute major titles from many lands including the United States, which assist Canadians in strengthening their understanding both of Canada and the world. It is in this sense that our submission is directed towards the imbalance and distortion of book publishing and distribution in Canada resulting from increasing alienation of the industry to U.S. ownership and domination and offers proposals to correct this state of affairs.

APPENDIX - Information on Progress Books

Progress Books is a wholly Canadian-owned commercial publisher and distributor of significant works on Canadian themes by Canadian authors and general topics with a history of some 35 years active operations.

Major contributions are:

1. Works on Canadian history, economics and political science utilizing the distinctive approach of historical materialism valued by Canadian scholars, students of political science, educationists, and practical workers in the political area. Some examples: The Anatomy of Big Business (L.C. & F.W. Park 1962) a pioneer study of U.S. corporate ownership and control of Canadian resources and industry; Lenin and Canada - His Impact on Canadian Political Life (Tim Buck 1970) dealing with the relevance of Lenin's views on economic development in Canada; early beginnings of the socialist movement; the national issue and sovereignty; Unequal Union: Confederation and the Roots of Conflict in the Canadas 1815-73 (S.B. Ryerson 1968) an historical work awarded a centennial grant, which probes the roots of the present crisis affecting Quebec and Canada as a whole.

2. Works containing the germinal writings and speeches of the founders of scientific socialism - Karl Marx, Frederick Engels and others which find increasing use in libraries, bookstores; and which find use as recommended or required texts at the secondary and university level; as also among a wider community of citizens concerned about the necessity for social and political transormation.

3. Works on biography, memoirs, fiction, poetry on Canadian themes and about Canadian personalities - e.g. Spirit of Canadian Democracy (ed. Margaret Fairley 1944) an anthology of prose and poetry selections tracing our democratic and revolutionary heritage; Tough Timber (M. Bergren 1966) the story of B.C.'s lumberworkers; A Bough of Needles (M. Bergren 1964) Canadian short stories; Hi Sister, Hi Brother! (Joe Wallace 1956) poetry; Look on Canada Now (1970) - Selected Writings of Leslie Morris 1923-1964, Canadian journalist and lifetime socialist leader.

4. Currently in print 13 titles. In preparation currently 7 titles.